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The Nation's Business

The Proposed Empire Currency
Not Canada's Job to Lead
Russia's Troubles Shown in Prices

THIS EMPIRE COIN AND BANK

WHILE the Banking Committee of the House of Commons quite properly gave a courteous hearing to J. F. Darling, the Britisher who proposes a new British Empire bank and a new British Empire coinage, the proposal is one that should have the most careful analysis before receiving any official support from the Government at Ottawa. The shrewd bankers of Lombard Street have apparently not given any endorsation whatsoever to Mr. Darling's proposals. It is not for Canada to take the lead in Empire banking, certainly not when the scheme involves a resurgence of bi-metallist theories that have been generally abandoned by sound economists the world over.

* * *

MR. DARLING proposes first of all an Empire bank. Such a bank, dealing not with private business, but with the central or other banks throughout the Empire, might have useful functions to perform but it will be essential first to establish something in the nature of an Empire customs union or an Empire that is tied together with more effective preferential trade treaties than now exist. The Empire bank is something that should follow rather than precede the development of Empire trade.

The scheme involves also a new theoretical coin, called the Rex, which would be the approximate equivalent of the present British sovereign, but which would exist more in theory than in fact. There may be nothing impractical about a theoretical coin; the basis of our currency in Canada is gold and few of us ever see a gold piece. For that matter the British sovereign now is practically the standard unit of currency of the Empire. The purpose of creating the Rex seems to be to fix relationship of 20 to one between silver and gold, as the Rex could be purchased by any bank or government for a minimum amount of gold and a minimum amount of silver in fixed ratio.

* * *

UNFORTUNATELY the British Empire produces only one-sixth of the world's silver and despite the huge supplies of silver in India the Empire does not control the world's accumulated stocks. If the British Empire undertakes to raise the price of silver by artificial means the rest of the world would be delighted to let the Empire have all the silver it wants. China's problems would be solved and the Mexican and United States silver mines would soon be running full blast, drowning the new bank in a sea of silver.

Canada is interested in silver and silver prices, but it would be well for this country to let more powerful and experienced nations take the lead in solving the silver problem.

* * *

NATIONALISM NOT OUSTED

A FAVORITE topic at the moment is the breakdown of individualism. At a time when world business is generally depressed it is quite the obvious thing for the economic theorist to declare that private business has fallen down and to urge the extension of some such substitutes as governmental control of business, socialism and communism.

In the larger sphere of world affairs, the post-war economic disruption, now reaching a climax, has led to an intense propaganda for what might be termed international idealism. Nationalism has broken down; international co-operation alone can save the world, it is argued. And the change-over is to take the form of abolishing tariffs, centralizing gold reserves in an international bank, forming international cartels to control production and world pools to sell agricultural products.

* * *

THE business world is looking for the answer to its present troubles and no good can come from offering purely idealistic remedies, incapable of practical application. A certain group of British economists, believers in free trade, oppose a protective tariff for Britain because Britain is the last stronghold for their theories. They would barter Britain's immediate prosperity for an ideal that may be achieved in time but certainly not within the five years which Sir George Paish has fixed as the longest possible life still remaining to the protectionist system.

There is nothing fundamentally wrong with co-operation in business or co-operation between nations. But workable schemes of co-operation must grow out of a competitive individualism and a reasonable nationalism. The world, in the ultimate analysis is going to be brought back to prosperity by the combined hard work and common sense of millions of individual business men and by the combined good government and actions of many nations, each working to set its own house in order.

* * *

RUSSIA'S NEW DICTATORSHIP

A BIT of information from Russia which is more illuminating than many columns of interpretations by official tourists or of speculative discussion by academicians is the announcement from Moscow that the Government suddenly has advanced prices of speculative commodities 50 per cent as a means of reducing the currency inflation.

The mere fact that the power exists in the hand of a government to determine general prices which

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FRASER COS. PLAN SCHEME READJUSTMENT

Statement May be Forthcoming in Month or Later

HEAVY OBLIGATIONS

Current Plant Operations on Better Basis—Improve Quality and Lower Costs

From Our Own Correspondent

MONTREAL. — Consideration is being given to a plan of reorganization for Fraser Cos., one of the principal fine paper makers in the Dominion, as well as one of the largest lumber operators in the Maritimes.

Publication of the 1930 report revealed the necessity of making major adjustments in order to place the company on a sounder operating and financial basis. The collapse of the United States fine paper market and the weakened position of the lumber market, together with heavy inventory losses, in lumber resulted in the company reporting a deficit of over $4,000,000 for the year.

Liquidate Lumber Stocks

Since the beginning of the current year steps have been taken to liquidate the company's large lumber stocks. The market, however, continues unsatisfactory. Shipments of Soviet lumber to the English market have curtailed exports from the Maritimes, while the American market has not shown the usual seasonal improvement. The same state of affairs applies to the domestic market.

In view of the unsatisfactory condition of the lumber market, woods operations last winter were kept down to a minimum. The cut of logs was especially limited, though a fair sized pulpwood cut was made. This wood was had at a relatively low price, which is expected to make for a substantial improvement in pulp costs later on in the year.

Mill Operations Good

The Restigouche pulp mill is operating at full capacity and the quality of its product is showing marked improvement from month to month. The company's catalogue paper mill at Madawaska is operating at approximately 80 per cent capacity. Board mills are running full and bond mill is operating somewhat short of full capacity. Quality of product all the way through shows a material improvement from last year and operating costs are constantly being reduced.

No Conclusions Yet

Though the reorganization plans have been given considerable thought definite conclusions have not yet been reached, and it will be a month or more before any announcement is made by the management.

From current operations it is anticipated that a good idea will be had of the company's earning power. While it is recognized that conditions at present are far from normal, the reorganization committee will have a minimum basis upon which to work, which should ensure the new plan being drawn up on lines which will place the company in a sound position.

Obligations are Heavy

With definite improvement in operating conditions, the principal problem affecting the management is in placing its finances upon a sound basis. At the end of last year the company had loans totalling over

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Mont. Island Power Plans For Extra Unit

From Our Own Correspondent

MONTREAL.—Preparations are being made for the installation of the seventh unit in the Back River plant of Montreal Island Power Co. It will be recalled that this company brought four units into operation in November, 1929, and an additional two after the turn of the year.

Ultimate plans of Montreal Island Power call for the installation of 10 units with a maximum capacity of 12,000 h.p. and a minimum of 7,000 h.p. each. To this end a dam two miles wide was constructed across the Rivière des Prairies, together with a power house 650 feet long.

The company is jointly controlled by Montreal Light, Heat and Power Consolidated and Power Corp. of Canada, the former carrying on the management and supervision, while the latter handles the engineering work. The company's output has been contracted for by Montreal Power over a period extending beyond the length of the bonds, namely, 1957.

Depressions Always Pass, Memories of Earlier Trouble Lend Hope of Better Days

Most Optimistic of Business Observers Are Those Who Recall Difficulties of Other Times

Midweek found the stock markets holding—with United States Steel at a new low for decades, with C. P. R. at par and International Nickel selling at only slightly more than the prices prevailing before the great Frood ore-body was developed. The best opinion as to the near future of the market is as good as, and no better than, the worst. The prognosticators have ceased to commit themselves.

The picture generally is one of gloom but here and there are indications of improvement. Once every few days a corporation report is favorable, but the great majority are reporting lower earnings than last year. The reduction in the Federal Reserve rediscount rate to the lowest point in history is intended ultimately to help, but the benefits, if any, are months away. The reported betterment in department store sales in the United States is noted as interesting but not conclusive. Isolated instances of higher earnings—two Canadian examples are Tuckett Tobacco and De Forest Crosley—are insignificant factors in a market such as this. Business executives who have a comparatively good month or quarter say little about it for fear they must eat their words later. In January there were fairly definite opinions that business would improve in the fall, and caution as to predictions for spring and summer. Now a note of caution is creeping into the discussions as to business prospects for fall.

No Early Strength

From all of this it is evident that there is insufficient confidence to carry stock prices upward to any considerable extent in the near future. Even the formation of a powerful pool to support stocks in the Montreal market is no more than a gesture which, at the best, can be effective only in keeping the patient alive until he can be persuaded to exercise his own recuperative powers. In the circumstances, the only safe opinion which can be expressed is a repetition of one which has appeared often in these columns—there is no need for the investor to hurry into the stock market.

More Experienced Are Hopeful

Prior to the panic in 1929, the blindest optimism came from the younger element in financial and business circles, and the older groups—whose memories were vivid as to 1921, and who often recalled the sad days of 1907, 1903 and 1893—were prone to shake their heads at talk of new eras and the disappearance of the business cycle. It speaks well for the charity of these men that they so seldom have reminded the chastened younger generation that the voices of experience were unheeded.

Undoubtedly, the most hopeful indication that the outlook is better now than it has been for some months, is that these men whose memories and business experience go back a generation are now the most optimistic group in the financial community. And as most of them are men of substance as well as experience, their optimism at this time might be a beacon shining in a dark skyline.

Depressions Always Pass

It was forgotten in 1928 and 1929 that excessive expansion always had been followed by depression. It is apt to be forgotten now that previous depressions have always been succeeded by periods of prosperity. There are various fundamental situations which must be corrected before prosperity can be wholly restored, but the fact is that in some quarters the correction is being achieved. In some other quarters the situation may get worse before it is better; yet so long as humans consume goods, a trend toward balancing demand to supply must exist, though statistically it is not evident.

Canada Has Certain Future

Canada has a certain future. There must be faith that the world will continue to progress. Those economic experiments which are disturbing the orthodox will fail if they are unsound, and, if they are sound, the world will benefit by their success.

We will not pass from depression into prosperity as one would step from a dark room into the glare of midday. The process of improvement will be slow, even imperceptible, for a time and the sun will be high in the heavens before many realize that there has been a dawn. Thus it has been in the past.

By no means all the trouble is in the past. But the world is working to improve conditions and a little faith in the efficacy of sound methods will make the work lighter.

WHEAT MOVING DESPITE FACTORS THAT UNSETTLE

U. S. Dumping of Thirty-Five Million Bushels Affects Canada

From Our Own Correspondent

WINNIPEG.—A larger movement of wheat in international trade, a greater volume of shipments from North America, and a greater volume from Canada than has been experienced for many months, contributed during the first half of May, toward a more hopeful situation in the wheat market.

World shipments for two successive weeks were at the rate of nearly twenty million bushels, against a previous average for the year of little more than fifteen million bushels. This is a reflection of the fact, now reasonably well established, that European stocks of native wheat are running low, and that importing countries are likely to import at a considerably higher rate for the balance of the season, coupled with the fact that the Orient, because of low prices, continues to take large quantities of Australian wheat, due to low prices.

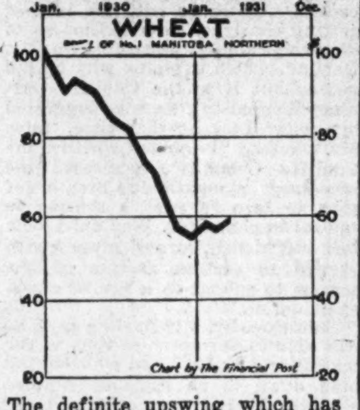
New Buying Off

These shipments were the result of buying that had taken place some weeks earlier, buying that had already been reflected in the markets. Actual new buying, while such shipments were in progress, did not continue at a corresponding rate, but substantial shipments both lifted the burden of a good deal of wheat from the market, and tended to a greater degree of confidence for the future.

Canadian sales, while at a satisfactory rate, would have been much larger except for the emergence of large shipments from the United States, after that country had been practically out of the export picture for a long time. The United States Farm Board and its subsidiaries, with something like two hundred million bushels of old crop wheat on their hands, in spite of disclaimers of any attempt at dumping wheat abroad, proceeded to do that thing

(Continued on page 3, col. 4)

Wheat Prices Up



The definite upswing which has occurred in wheat prices in recent months is encouraging news to Canadian business. The chart plots the Dominion Bureau of Statistics official index of No. 1 Man. Northern during 1930 and 1931.

Large Increase In 1931 Sales Of Kelvinator

Kelvinator of Canada, according to a statement issued by the general manager, F. S. McNeal, has had a 73 per cent increase in unit sales of electric refrigerators during the first seven months of the current fiscal year. The company now occupies the strongest financial position it has had since its formation.

Sales in April were up 48 per cent and this increase continued on into May. The factory is two weeks behind in filling orders although two 10-hour shifts are being run. There has been an increase in shipments to Western Canada in spite of the severe depression in the West. Commercial business with grocery, butcher and chain stores shows an increase while installations into buildings being erected have now become a matter of course in the electrical refrigeration business.

The profit and loss deficit at the end of 1927 of $145,250 was reduced by September 30, 1930, to $40,113 but $98,103 of this reduction was made in 1930. Preferred dividends have been paid under the guarantee of the parent company, Kelvinator Corp., of Detroit, from the beginning, but apparently the U. S. company will soon be relieved of the necessity of implementing its guarantee. Fifteen quarterly dividends have already been paid.

Results of Kelvinator, Ltd., of England are now consolidated with those of the Canadian company. It is understood that results have been encouraging.

Sell Donnacona Board Through Gypsum, Lime

From Our Own Correspondent

MONTREAL. — An arrangement has been entered into whereby Gypsum, Lime & Alabastine (Canada) will handle the distribution of Donnacona Paper Co.'s new insulating wallboard. This is a move of importance to both companies, Donnacona receiving a retail distribution through some 7,000 dealers, while Gypsum, Lime adds what should prove to be a profitable new line to its already long list of products.

Production of wallboard is a new venture for Donnacona, a subsidiary of Price Bros. & Co.. In the early part of 1929, it was decided to construct a mill for the manufacture of a high grade insulating board, having a daily capacity of 150,000 square feet, or 55 tons.

The mill was completed early in 1930 and brought into production during the first half of the year. Owing to the time necessary to bring the mill into operation and placing the product on the market, earnings from this division did not figure largely in the 1930 income account.

To date domestic sales have exceeded expectations; while foreign sales have been slow but promsing. With the new arrangement entered into with Gypsum, Lime, anticipations are that sales in 1931 will play an important part in improving the earning power of Donnacona.

Elect Two Directors Eastern Trust Board

From Our Own Correspondent

MONTREAL.—Eastern Trust Co. announces the election of George Henderson and John Bassett to the board of directors.

Mr. Henderson is one of the leading industrialists and manufacturers in Canada, his principal connection being president and general manager of Brandram-Henderson. Mr. Bassett is vice-president of Gazette Printing Co., Montreal.

MONT. POWER PROFIT SHOWS HEALTHY GAIN

Return for First Four Months Ample for Dividends

$2,300,000 SURPLUS

Growing Importance of Investments Seen in Interim Report on Earnings

From Our Own Correspondent

MONTREAL. — Earnings applicable to the common stock of Montreal Light, Heat & Power Consolidated for the first four months of 1931 were more than double actual requirements, according to an official statement made by the company.

Between January and the end of April last, the income account showed an increase of some $95,000 in the electrical department and approximately a similar increase in the gas division. Miscellaneous earnings, which include income from investments, showed an increase for the four months over the same period last year of over $297,000.

From these three sources of revenue Montreal Power had an aggregate increase in net earnings for the four months of $487,000, as compared with the same period a year ago.

Double Dividend Need

After fixed charges, which were somewhat higher this year owing to the bond issue made late in 1930, there remained available for dividends some $4,300,000 or substantially more than double the actual requirements of $2,072,000.

This left a surplus after fixed charges and dividends for the four months of this year of some $2,300,000.

Reassure Shareholders

The statement followed upon a recession in the market value of the company's common stock and was designed to reassure shareholders that there was nothing fundamentally wrong with the company, inasmuch as its earning power was on the increase; a condition which few Canadian corporations are able to report for this year.

The drop in value brought the company's stock to a point below that which it was offered to customers in July last year, namely, $50 a share. At that time the company received a strong response to its offer of stock to customers. Together with the shares offered to shareholders, the company allotted approximately 993,687 shares.

Much Stock Allotted

Of this number, 405,500 shares were subscribed to by shareholders and have since been paid for in full, bringing the number of shares outstanding up to $4,492,042. The balance of stock will not be paid for in full until July, 1932, when it ranks equally with other stock for dividends.

Plenty of Capital

As a result of this campaign Montreal Power will receive in the neighborhood of $50,000,000. Part of this money will go into plant extensions and improvements. The programme for this year calls for an outlay of $3,300,000, of which $1,500,000 is set aside for additions to the gas plant. A new modern gas holder is already over half completed at Hochelaga which, with a capacity of 10,000,000 cubic feet, will be the largest structure of its kind in Canada.

To link this holder with the gas plant at LaSalle, about 30 miles of high pressure mains will be laid and booster stations constructed.

Electrical additions include a new substation at the Cedars plant and another at St. Lambert, while about $500,000 of additions will be made to the substation at Atwater.

Invest New Money

Other plans will absorb several millions more of the new money, but by far the greatest proportion will be available for investment. Though no details are available, it is understood that the company has made important additions to its investment portfolio in a widely diversified list of well seasoned securities.

At the end of last year Montreal Power had $96,100,564 invested in the securities of an interest in subsidiary and allied companies—less depreciation reserve. Cash on hand and call loans totalled another $6,500,000.

Outside Investments Heavy

Of its total assets of $132,322,572 at the end of last year, however, the company had $29,443,209 invested in the securities of enterprises other than those in which it has a direct interest. It is considered that upon publication of the next annual report, this item will show a sharp increase, due to the heavy commitments made this year.

Anticipated Good Report

Provided that the showing made in the first four months of this year is maintained throughout the balance of 1931, the annual financial statement should make good reading for the 60,000 odd shareholders. The income account for last year showed net profits of $8,943,584 available for dividends and a surplus after all charges of $3,085,805.

Comparing this to the showing made in the first four months of 1931, namely, $4,300,000 available for dividends and a surplus after all charges of $2,300,000, it is apparent that Montreal Power will present a stronger statement for 1931 than was the case in 1930, if income from operations and investments are maintained during the remaining months of the year.

Dom. Textile Dividend Covered Last Year

From Our Own Correspondent

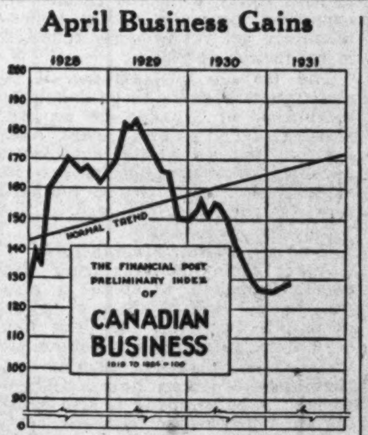
MONTREAL. — Despite difficulties encountered by the textile industry as a whole last year it is reported from an unofficial source that Dominion Textile Co. was able to cover its common dividend requirements in the fiscal year ended March 31.

The financial statement should be available in June and is expected to reveal a strong cash position. Earnings in the previous fiscal period were equal to $6.06 a share on the common stock on which a dividend of $5 a share has been paid since 1926. The stock was split three for one in 1923.

The gain recorded in 1929-1930 was due to increased interest and profits on sale of investments which more than offset a decline in sales and net earnings from operations. Interest on investment included profits from the company's two tire fabric subsidiaries which experienced a satisfactory year.

Current activities of Dominion Textile Co. are understood to be at a comparatively low rate. The company has benefitted in common with other cotton manufacturers through operation of the Dumping Act; the general decline in business, however, has found reflection in plant operations.

April Business Gains



A further gain in The Financial Post preliminary index of business is shown in April. This is the third consecutive monthly increase, but the gain is tempered by weakness in basic industries, which indicates that the gains may not be sustained in subsequent months.

LOBLAW YEAR ENDING MAY 31 TO SHOW GAINS

Net Profits Expected to Exceed Slightly Results of Preceding Year

Loblaw Groceterias Co. will probably show earnings of about $1,200,000 for the year which ends on May 31, 1931, as compared with $1,190,328 net earnings in the preceding year, before reserve for income tax and reorganization expenses were written off. The amount available for the common stock should therefore be fully up to $1.28 a share shown in the year ending May 31, 1930, on 467,541 Class "A" and 383,300 Class "B" no par value shares.

In the 44 weeks ending April 4 the company had sales amounting to $14,478,724 as compared with $15,698,832 in the corresponding 44 weeks of the preceding year, the reduction in dollar value being 7.78 per cent. As this total, however, represented a greater physical volume of goods actually sold the company was able, in spite of greatly reduced prices of merchandise sold to the public to maintain profits.

Operating Profits Are Higher

Profits for the 44 weeks under review were $886,039, which was actually an increase of nearly 1 per cent over the same period in 1929-30. At that rate the profits for the entire year would be about $1,047,137,

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Gold Stocks Hold Well In Weak Security Market

Drastic recessions recently throughout almost the entire list of stocks traded in, has again shown the dividend paying gold stocks as better able to resist the onslaught than almost any other class of common stock.

The strength shown by the golds in an otherwise weak securities market is testimony to the high regard which investors become to hold this class of investments. While it is true there have been signs of weakness in the golds, the possible explanation is that due to the wave of recession in other stocks, there has been a forced liquidation of some of the gold to protect these other investments.

Security Apparently Good

Anyone who has studied the current position of Ontario's dividend paying gold mines knows that in almost every instance expansion plans are under way or have just been completed that will make for increased earnings.

There is an apparent security in the gold stocks at the present time that is not comparable with other common stock investments. Their ore reserves in every instance are such that present milling programmes and those planned can be maintained for some years at least. Costs are declining as commodity prices decline. Marketing problems are non-existent. This preferred position is attracting investors that heretofore have not regarded the golds as offering the required security or stability, but it is now recognized they occupy an unique position in an otherwise topsy-turvy market.

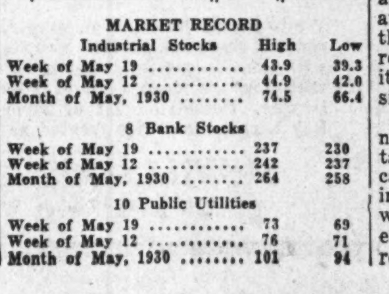
Average Yield High

It cannot be denied that many of the favorite gold stocks have been well discounted, on the strength of their anticipated earnings, yet the present yields of the six leaders, Dome, Hollinger, Lake Shore, McIntyre, Teck-Hughes and Wright-Hargreaves are 9, 9.65, 5.4, 4.41, 8.21 and 3.5 per cent respectively, or an average yield of 6 2/3 per cent. While this yield has not in the past been regarded as sufficient for gold mines, it is regarded as satisfactory, considering the security offered.

Many United States investors are now turning their attention to Ontario's golds, for the reason they cannot see a like security and yield in other classes of common stocks, with the same chances of increased earnings in the interval, pending the return of stabilized conditions.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of May 19	43.9	39.3
Week of May 12	44.9	42.0
Month of May, 1930	74.5	66.4
8 Bank Stocks		
Week of May 19	237	230
Week of May 12	242	237
Month of May, 1930	264	258
10 Public Utilities		
Week of May 19	73	69
Week of May 12	76	71
Month of May, 1930	101	94

BANKS SCOUT PRACTICABILITY DARLING PLAN

See Empire as Dumping Ground for World's Silver

DROP GOLD STANDARD

Plan Would Mean New Money Unit as Standard With Fixed Price for Gold, Silver

Canadian bankers are highly sceptical of the bi-metallic scheme of J. F. Darling, British banker, laid before Prime Minister Bennett at Ottawa last week. The plan involves on the one hand, creation of an empire bank, and on the other, of a new empire money unit called Rex which would replace the gold standard as far as the British Empire is concerned, and which would be tied both to gold and silver in order to conserve the gold resources and output of the Empire, and restore the purchasing power and goodwill of India by boosting the price of silver from its present price of about 28 cents an ounce to 94 cents per ounce.

Most bankers admitted that they had not had an opportunity of studying the proposal in detail but believed its fundamental weakness was in the fact that it would lay the Empire open as a dumping place for all the silver of the world, most of which is not produced within the Empire, and therefore not in any way subject to control by the Empire nations which would fix a definite price for it.

Mr. Darling in his pamphlet, "The Rex," published last year, admits this, but says that two-thirds of the world total silver production is a base metal by-product and therefore not materially affected by price, and that as confidence in silver is restored, the demand of Asia for the metal is likely to increase—which, admits Mr. Darling, is also likely to result in a considerable increase in production from purely silver ores.

Must Control Production

One eminent banker maintained the only permanent way of solving the silver situation, in his opinion, was to control world production and stabilize silver on an intrinsic value basis. He pointed out that it was difficult enough to maintain monetary stabilization on a one metal (gold) basis, without the further complication of bi-metallism in any shape or form.

In regard to Mr. Darling himself

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SUN TRADING SHOWS DROP END OF 1930

Stock Purchases of Big Life Co. Down Sharply in Last Half

REVIEW OPERATIONS

Government Abstract Reveals Sales and Purchases of Big Canadian Investor in Past Year

Drastic curtailment in the dollar volume of preferred and common stocks purchased by the Sun Life Assurance Co. in the final half of 1930 is revealed by the insurance company's abstract issued this week by the Department of Insurance at Ottawa. Decline in the amount of stocks sold in that period are also evidenced. Total value of preferred and common stocks bought between July 1 and December 31, last year, was but $7,637,674 as against $69,415,687 in the corresponding period of 1929. Sales for the respective periods amounted to $5,554,828 in 1930 as against $53,141,419 in 1929.

By deducting sales from purchases for each period the net value of new investments in preferred and common stocks compare: last half of 1930, $2,082,846; same period, 1929, $21,274,268.

Figures for the first half of 1930 are as follows: total value of stocks bought, $41,909,768; total value of stocks sold, $8,477,221; net value of new investments in preferred and common stocks, $33,432,547. Corresponding figures for 1929 (first half of year) are: value of stocks bought, $74,464,941; value of stocks sold, $41,137,160; net value of new investments, $33,327,781.

Huge Single Investment

The largest single investment during 1930 is represented by the purchase of 105,607 shares of preferred stock of Middle West Utilities Co., for a total amount of $10,894,851. Indeed, this transaction makes up the bulk of preferred stock purchases for the year, the only others being 25,500 shares of International Match Corp., for which $1,985,353 was paid, and 700 shares of Shell Union preferred, price $70,843.

Investments to the value of one million dollars or more were made in the common stocks of American Gas & Electric, American Power and Light, American Telephone & Telegraph Co., Gulf Oil Corp. of Philadelphia, North American Co., and Montreal Light, Heat & Power Co. In addition, over $3,000,000 was added to common stock holdings in American Tel. & Tel. by the conversion of $1,491,700 4½ per cent debentures. This amount is included in the total of purchases shown above. On the other hand, there are several additions to stock holdings by virtue of stock dividends for which no value is recorded.

It should be borne in mind that the figures quoted above are not entirely composed of outright purchases of stocks, the figures including installments paid on shares subscribed to by virtue of rights.

Exchange of 11,296 shares of City Dairy brought 9,884 shares of Borden Co., with a value of $247,100 on the books of the company. This and similar transactions are not, of course, in the nature of purchases and are not included in the figures above of purchases made during the year. Sun Life also purchased outright 13,400 and a fraction common

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Eng. Electric	8	St. Maur. Valley	16
Eastern Trust	1	Whit.	5
Fraser Co.	1	St. Law. Flour	11
Fam. Players	11	Sun Life	1
Gatineau Power	4, 5	Tuckett Tobacco	11
H. Smith Paper	16	Thrift Stores	8
Int. Paper	16	Title Guar. Trust	16
Hudson's B. Co.	13	United Towns El.	4
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CAN. CELANESE SALES DOUBLE FIRST QUARTER

Increase Nears 150 Per Cent to Date Over Last Year

From Our Own Correspondent

MONTREAL.—Sales of Canadian Celanese during the year to date are nearly 150 per cent in excess of those in the same period last year. No figures on earnings have been published but in view of the satisfactory financial statement covering operations in 1930 there is indication that preferred dividends are being covered despite the fact that prices have been reduced.

The company has completed the actual construction end of its expansion programme, but the work of installing new looms, twisters and additional equipment is still proceeding. New hands are being trained and completion of plans on hand will necessarily be a gradual process.

Has Large Pay Roll

About 2,000 persons are presently employed in the company's big plant at Drummondville. Operations are being carried on at capacity, that is, 24-hour shifts, while the benefits of expansion presently being undertaken are not yet properly reflected in production and sales.

The market for celanese, it is stated, now appears to be definitely established in Canada; the product is being sold on its own merits. New designs and lines are constantly under consideration; the increase in sales is indicative of the foothold which celanese has obtained in the textile industry.

Underwear Now Manufactured

Apart from manufacturing flat goods, Canadian Celanese is also making up several lines of piece goods at its plant. Hosiery has been added to output and equipment installed is capable of turning out thousands of socks and stockings weekly. The company is also turning out underwear of celanese.

To a lesser extent the company is marketing its own yarn for weaving in outside plants. Wabasso Cottons, for instance, is a substantial consumer of celanese yarns which it weaves on its own looms at Three Rivers. Sales of yarn, however, constitute but a minor part of Canadian Celanese activities.

Retain Proper Perspective

The gains in sales and earnings of Canadian Celanese, however, must be viewed in their proper perspective. Though the company's ability to make marked headway in these difficult times is encouraging it must be remembered that present progress marks the culmination of five years activity, four of which were not attended by appreciable profits.

In 1926 construction of the original plant was commenced and though fabrication of imported yarns was begun in the following year it was not until 1928 that the manufacture of yarn started. Sales were necessarily at a comparatively low figure; the company had to start merchandising operations from zero.

NATION'S BUSINESS

(Continued from page 1)

its people must pay for ordinary purchases is an impressive object lesson. That extraordinary power simply cannot be adapted to any habits of thought in which any Canadian, British or American minds ever have been schooled.

The dull and formal statement that the thing has been done in Russia, however, not only comes as a matter of official routine, but it reveals the further fact that this power is exhibited by an executive decree. No debate or vote in any parliamentary body preceded it. The czars at the height of their power were not able to make effective laws for the control of prices in this manner, yet there are liberal, well-meaning people who try to persuade themselves that Soviet Russia represents a reversal of the tyrannical conceptions of government with which czars were associated.

* * *

FROM the viewpoint of business interests in other countries, however, the political meaning of such an act is secondary to the question of its effect on industry and trade.

Under the Soviet financial system the state bank may issue notes secured up to one-fourth the amount by precious metals and foreign currencies and three-fourths by merchandise, bills of exchange and other documents. The industries, which are controlled by the government, pledge their assets in return for loans, which are made in the form of notes, and the proportion of these to metal reserves naturally has increased with the demands for rapid industrial expansion under the Soviet policy. The treasury, also, issues notes up to 75 per cent of the bank notes. The limit originally was 50 per cent, but it was increased a year ago and may have grown to still larger proportions since then.

Thus the Soviet financial system rests on a steadily increasing amount of inflated paper and the output under the demands of the five-year plan has been enormous. In the beginning the declared intention was to permit a limited inflation to finance the five-year plan. The Soviet system, however, by abolishing private property, has cut off ordinary sources of revenue raised by taxation. Levies on workmen, who are paid only in government paper, can turn only such paper into the treasury, and the steady confiscation and collectivization of property has not meant the accumulation of money, such as could be obtained when there were bank vaults to be looted.

* * *

THE five-year plan, therefore, has been accompanied by a mass inflation. The new order means that this has reached such proportions as to compel the Soviet financiers to check it. The increase in prices is accompanied by an abandonment in part of the card ration system. The people, nevertheless, must continue to buy mainly at government shops and they must pay about 50 per cent more in paper roubles than they have been paying. The government must expect simply to destroy these roubles, as there is no other way by which the process would decrease the inflation, but the roubles previously had a buying power which barely was sufficient, whatever the quantity, to procure enough food to sustain life. With the buying power greatly reduced by the advance in prices, the population inevitably must be brought nearer to the starvation point than ever.

The people have been carried through the winter, and the opening of spring doubtless is expected to bring eatable vegetation and other resources outside the supplies purchased at the government stores. Russia's population is 80 per cent rural, and the voices of the city workmen are about the only ones heard under the present régime. The possibility of going on for an indefinite number of years, however, is negatived by the very devices which the Soviet leaders adopt, such as this increase of prices, to meet emergencies that continually are disturbing their calculations.

Canada Power Plan Expected in Few Days

A plan for the reorganization of the capital structure of Canada Power & Paper Corp. will be announced within a few days, it is expected.

A security holders protective committee was formed some weeks ago and since then various proposals have been discussed, with a view to scaling down the fixed charges and preferred stock dividends of subsidiary companies.

It cannot be learned at this stage whether or not the holders of first mortgage bonds on constituent companies will be asked to accept a reduced rate, permanently or otherwise. These bonds are the underlying obligations of the operating properties. Preferred stocks of these constituent companies rank next and the 6 per cent debentures follow the preferreds.

LOBLAW YEAR ENDING MAY 31 TO SHOW GAINS

(Continued from page 1)

but the company has other profits which it is able to reckon only once a year. If these miscellaneous profits equal the total of last year and they have been quite constant in most years, this should bring the total net earnings to about $1,200,000.

Loblaw Groceterias Co. had a strong working capital position on May 31, 1930, and it is rather expected that that position will be shown even stronger on May 31, 1931. There have not been bank advances since 1928, and the company's financial statement will probably show it in receipt of interest from call loans as contrasted with 1928, when it owed money to the bank. Its cash position was very strong on May 31, 1930, and it should be higher now if call loans are included.

Building Warehouse in Buffalo

The company's position, which is strongly entrenched in Canada, will be helped when the subsidiary company, Loblaw Groceterias, Inc., attains success sufficient to permit it to pay dividends. The American subsidiary has 119 stores in the United States, 75 in the Chicago district and 44 in the Buffalo district. Its Buffalo stores are understood to be doing well and its Chicago stores at least to be breaking even. The company is building this year in Buffalo a modern warehouse to take care of the growing business in that city. In Chicago the company has already a large warehouse fully capable of looking after a greater business than is yet being done.

The Canadian company owns 2,841 preference shares of $100 par value of the United States company and 28,600 no par value shares of common stock. No dividends are yet being paid, and it is scarcely likely that any will be paid this year. The operations of this company are to be regarded more as an interesting possibility for the future than as likely to be of immediate monetary benefit to the Canadian company. The operations of the United States company are of chief interest to many shareholders, who intend a long hold in the hope that shares of the Canadian company will eventually be made more valuable by success achieved in the United States as well as by growing success from Canadian operations.

Those who are hoping that eventually the United States subsidiary will contribute materially to revenues of the Canadian company are somewhat disturbed at the moment by anti-chain store legislation in some of the United States. Last week stocks of chain stores declined sharply when the Supreme Court at Washington held that the Indiana chain store law is valid in taxing individual stores of chain store companies very much more rigorously than privately owned individual stores.

Stocks of chains operating principally in Western and Southern states were affected most. Anti-chain store legislation has made no headway on the Northeastern seaboard. The Buffalo stores of Loblaw's would therefore not be the subject of anxiety and it will be hoped that Illinois will not follow Indiana's example.

BANKS SCOUT PRACTICABILITY DARLING PLAN

(Continued from page 1)

it was pointed out that in spite of the fact that he is a director of the Midland Bank, little or no attention has been paid to his scheme in Great Britain. Reference was also made to the fact that about fifteen years ago he sponsored a scheme to fix the price of sterling which proved to be a failure. Several bankers expressed the hope that something would be done to stabilize silver but were sceptical of anything that smacked of bi-metallism. One executive who has been studying the matter carefully for some time inclined to the belief that restoration of stable conditions in China would do more than anything else towards stabilization of silver. It was noted with some interest that China within the past few days has taken the first steps to create a gold monetary unit with which to collect her customs duties, and that this is taken as an indication that China is definitely awake to the need of eventually adopting the gold standard. India, it is recalled, has already, under British guidance, adopted a gold regime as far as her imports and exports are concerned, and while silver is still an ideal monetary unit for internal and domestic use in the East, it was thought that this plan should be extended in India and China until such time as a complete change to the gold standard can be effected.

Has Genesis in 1917

Mr. Darling says his scheme had its genesis in 1917 when he issued a pamphlet entitled "Bank of British Empire," which outlined a plan for an Empire Bank to conserve the Empire's gold resources. Such a bank would be the sole issuer of currency in the Empire, would keep accounts for all banks in the Empire, would consolidate and handle the war debt, would control and be the sole custodian of gold, and so forth. The booklet was issued with the idea of getting constructive criticisms as to its practicability, according to Mr. Darling, which explains why he did not submit it to the Cunliffe Currency Committee, as was suggested by Bonar Law at that time. Says Mr. Darling, "I doubted whether the Cunliffe Committee possessed the necessary sympathetic breath of view to help forward a scheme so radical in character. Nor did I then feel sufficiently sure of myself with regard to certain aspects of the scheme to submit to a fire of cross-examination."

Subsequently, Mr. Darling says, he was able to devote more time to the scheme and by 1923 had whittled the plan down to an issue of Empire treasury bills with a gold backing, convertible into the currencies of the participating countries. At the instigation of the New Zealand government this scheme was placed on the agenda of the 1923 Imperial Conference and a sub-Committee appointed which cross-examined Mr. Darling. "But," says Mr. Darling, "as the British Treasury and at least one of the Dominions were determinedly averse, not only to this, but to any scheme other than a simple return to the gold standard, the result was a foregone conclusion."

New Plan Broader

The present plan, which, as already noted, is outlined in a pamphlet "The Rex," is a broader scheme including an element of "new bi-metallism" intended to solve not only the financial problems of the gold standard units of the Empire, but of the Far East as well. The new money unit "Rex" would not be composed of either gold or silver or an amalgam of the two metals, but would be merely a "money of account," or a money in which a super-bank of the Empire would keep its accounts.

The bank would have few customers, these being the currency-issuing banks or governments of the Dominions. A balance for each country with the Bank of Empire would replace gold for all reserve requirements and the bank would be prepared to buy gold and silver at a fixed minimum price paying for it in Rex by crediting one or other of its customers with the proceeds. The minimum price suggested for gold is one Rex for 113 grains of fine gold, which is the gold content of a sovereign. Silver would be stabilized with gold on a 20 to 1 basis. The sovereign would cease to be coined and all Empire countries would therefore abandon the gold standard in favor of the "Rex" standard.

Purpose of Bank

While monetary gold stocks of the Empire are stated to be only about £250,000,000 as compared with £850,000,000 held by the U.S.A., and £380,000,000 held by France (1930 figures); the strength of the Empire would lie in its annual production which is estimated at 70 per cent of the total world production. This, it is said, would be conserved for the exclusive use of Empire countries and instead of having a shortage as now, there would be ample gold for the use of Empire countries. Savings in use of gold would also be effected through inter-Empire clearings. This gold lever, would be the most powerful economic lever in the hands of any world power but would be used not for merely selfish ends but for the primary and supreme purpose of rehabilitating silver and restoring world economic equilibrium.

The old bi-metallism, explains Mr. Darling, was based on the coinage of the two metals. It was thus concerned with a given fixed weight of gold and a given fixed weight of silver converted into coins which therefore became legal tender, so that debtors had the option of paying in either metal. Thus if any difference arose in the value of the metals, the debt would be paid in the cheaper and Gresham's famous law would be brought into play, whereby bad money would drive the good out of circulation, whereupon the relatively dearer metal would be exported and melted and exchanged for cheaper. This would bring into play the joint standard which restored equilibrium.

The new bi-metallism fundamentally changes the picture, says Mr. Darlig. With the passing of the gold sovereign, a fixed weight of gold and a substitution of Rex as the standard by which gold is measured, gold, according to Mr. Darling, becomes a commodity for which the minimum price for one Rex is 113 grains, but for which no maximum has been set. "This puts the bank in a very strong position with its 70 per cent of world gold output, and it can in addition reduce demand by raising its price and so protect its stock. The price can be raised at any time and before the Bank's stock is seriously diminished. The law of Gresham does not apply."

The ratio which Mr. Darling would establish is 20 ounces of silver to 1 of gold, which would give silver a value of 47d. per standard ounce or approximately 2½ times its present price. The monetary silver of the currency note reserve of the Government of India would be taken over, which would take "Rex 87,000,000," and the great objective of the bank would be to maintain equilibrium between gold and silver on a 20 to 1 ratio. "It will have attained its object when, on the one hand, there is world confidence in the ability of the bank to maintain the value of silver and, on the other, it is a free silver seller of gold at its minimum price of 113 grains per rex."

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WALTER F. WATKINS, Secretary.
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BETTERMENT SEEN IN APRIL ACTIVITY OF AMAL. ELECTRIC

Sales in Early Part of May Also Show Gains

From Our Own Correspondent

MONTREAL.—Operations of Amalgamated Electric Corp. in April are reported to have shown an improvement over those of the same month last year while business, in the early part of May is stated to have been on an encouraging basis. Plants are operating at around 70 per cent of capacity.

This betterment bears out predictions of those associated with the company who anticipated an improvement after the smoothing out of various difficulties which followed consolidation of the component properties.

Affected By Construction

The company manufactures a wide line of electrical units and devices, sales of which are stimulated by constructional activity. Earnings in 1930 showed a falling off as compared with the previous ten months amounting to $75,750 as against $181,920.

Within the past six months, however, it is understood that various operating changes have been effected which have enabled the company to hold its own despite business conditions. Rigid economies were placed in effect at the end of last year, new sales policies introduced, while changes in the tariff are expected to work in favor of the company.

The preferred dividend was passed recently to enable the company to conserve its cash position. At the end of 1930 working capital totalled $763,362 with a ratio between current assets and current liabilities of 18 to 1.

SUN TRADING SHOWS DROP END OF 1930

(Continued from page 1)

shares of the Borden Co. for a total price of $981,683.

Among the sales of stocks during 1930 was 14,780 common shares of Brooklyn Union Gas Co. for which $2,517,779 was received, exceeding the value at which the shares were held on the company's books by $959,104. Next in order of book profit was 35,464 common shares of New England Tel. & Tel. Co., which realised $4,822,803, showing a book profit of $683,938. Other large sales included 40,800 common shares of Standard Brands Inc., the amount received for these being $1,045,235, book profit, $92,196; 13,300 common shares Vacuum Oil Co., sold for $1,209,305, showing an excess over book value of $90,744, and 36,000 common shares of F. W. Woolworth Co. which realised $2,325,696, book profit, $21,500.

Write-offs of stocks during 1930 were confined to 1,533 shares of Chicago, North Shore and Milwaukee Railroad Co. held on the books at $55,139 (par value, $153,300) which were written-off to unlisted assets, and 6,750 preferred shares of Indiana, Columbia and Eastern Traction Co., par value, $675,000, written off as valueless.

Ford "B" Exchanged

An item of interest appearing in the abstract is a transaction involving the exchange of 5,356 shares of Ford "B" voting stock formerly held by the Sun Life, for 8,034 shares of class "A," the basis of exchange being 1½ shares of class "A" for each class "B" share.

Appended are lists of stocks, showing both preferred and common separately, of purchases and sales during 1930, the last column giving the amount of transactions taking place from July 1 to December 31, these figures being included in the total for the year.

STOCKS PURCHASED IN 1930
(by Sun Life Assurance Co.)

Stock	Shares	Price pd. (full yr.) $	Amt. bt. final ½ yr. $
Preferred			
Internat. Match.	25,500	1,985,353	562,026
Middle W. Util.	105,607	10,894,851	....
Shell Un. Corp.	700	70,843	....
Total, pref. stk.		12,951,047	562,026
Common			
Air Reduct'n Co.	600	82,688	....
Allied Chem. & Dye	400	107,317	....
American Can	1,000	120,635	....
Amer. Gas & Elec.	15,701	2,754,679	321,065
Amer. Pwr. & Light	16,901	1,290,869	234,362
Amer. Tel. & Tel.	37,053	5,123,745	1,076,160
Amer. Tobacco	500	25,000	....
Bankers Trust (N.Y.)	2,500	434,354	....
Bell Telephone	(2,668)	489,063	....
Borden Co.	13,400	981,683	....
Brazilian Tract.	2,500	101,270	....
Brit. Amer. Oil	24,800	435,292	114,574
Burroughs Adding Machine	2,200	76,742	....
Columbia Gas & Elec.	(29,727)	666,033	168,190
Commonwealth Edison	(3,033)	304,050	101,350
Cons. Gas of N. Y.	7,200	660,178	414,511
Cons. Gas, Lt. & Pr. (Balt)	5,915	568,773	33,055
Corn Prod. Regd.	2,000	201,604	122,723
Detroit Edison	(9,178)	1,142,344	252,600
Dom. Textile	775	62,335	62,335
Dupont	6,126	692,494	84,452
Gen. Electric	7,100	522,451	....
Gulf Oil of Pa.	7,000	1,119,626	....
Humble Oil	4,000	446,624	....
Illinois Cent. R.R.	600	77,362	....
Imperial Oil	7,500	130,351	130,351
Imp. Tobacco	2,000	19,350	19,350
Intl. Bus. Mach.	2,300	391,463	....
Intl. Harvester	500	47,401	....
Intl. Petroleum	5,500	78,070	78,070
Int. Tel. & Tel.	(16,864)	665,203	213,960
Liggett & Myers	11,550	773,331	....
Manville, John, Corp.	800	59,285	59,285
Mont. L.H. & P.	83,976	2,603,852	2,603,852
" rts.	300	315	....
National Biscuit	5,750	57,500	....
Nat. Cash Reg.	9,800	623,385	....
New Eng. Tel. & Tel.	5,911	591,100	....
N. J. Zinc	200	14,803	....
N.Y. Cent. Rly.	398	39,800	....
Nth. Amer. Co.	22,101	2,028,181	446,162
Ogilvie Flour	125	45,039	7,137
Pacific Gas & Elec.	12,500	774,242	78,659
Pacific Lighting Corp.	8,140	740,719	21,000
Penmans Ltd.	400	28,694	28,694
Penna. Railroad	380	19,000	....
Public Ser. Corp. N. J.	8,800	879,577	86,573
Sthrn. Cal. Edison	17,422	832,927	....
Stand. Oil of Indiana	2,300	133,117	....
Stand. Oil of N. J.	4,500	348,840	....
Un. Carbide & Carbon	10,700	800,269	....
Un. Gas Impr.	7,800	316,189	....
United Lt. & Power	17,000	762,277	....
United Shoe Mach.	500	26,312	26,312
Westinghouse Elec.	1,800	266,052	....
Total com. stks.		$36,596,395	$7,075,648

Note—Where the number of shares is shown in brackets a calculation has been made to include a proportion of shares subscribed, for which an installment is included in the amount paid. Small payments for rights and fractional shares have been omitted. Shares acquired by stock dividends are also omitted.

STOCKS SOLD IN 1930
(by Sun Life Assurance Co.)

Stock	—Full year— Shares	Price rec'd	Amt. sold final ½ yr.
Preferred			
Ewo Cotton (China)	1,200	88,609	....
Common			
Anglo-French Land	3,024	432,388	432,388
Shanghai Elec. Const.	26,518	270,675	270,675
Shanghai Mut. Tel.	635	33,857	17,551
Oriental Press	333	11,405	11,405
Brooklyn Un. Gas	14,780	2,517,779	....
Metropol. Edison	111	27,597	....
New Eng. Tel. & Tel.	35,464	4,822,803	4,822,803
Stand. Brands	40,800	1,045,236	....
Stand. Oil of Kansas	2,000	89,263	....
Stand. Oil of Kentucky	2,625	91,306	....
Stand. Oil of N. Y.	18,000	672,627	....
Stand. Oil of Ohio	100	10,180	....
U. S. Steel	1,000	181,710	....
Vacuum Oil	13,300	1,209,305	....
Westinghouse Air Brake	600	27,404	....
Woolworth Co.	36,000	2,325,696	....
Yale & Towne Mfg.	2,500	174,202	....
Total, common stocks sold		$13,943,440	$5,554,828

WHEAT EXPORTS IN NINE MONTHS GAIN STEADILY

Volume is Up 60 Per Cent Though Value Declines 8.7 Per Cent

Exports of Canadian wheat during April continued to be greater in volume than in the corresponding month of 1930 and was therefore in line with the trend shown throughout the current crop year. The early opening of the navigation season on the Great Lakes and of the Port of Montreal has given a further impetus to May shipments that is not noted in any degree in the April figures.

The exports of wheat during the first nine months of the current crop year totalled 166,170,668 bushels valued at $122,612,685 as compared with 103,441,374 bushels valued at $134,343,573 in the corresponding period of the previous year. Volume handled increased by over 60 per cent but value declined some 8.7 per cent.

The volume of exports in the past three years to the end of April have been as follows:

Wheat Exports, Monthly by Crop Years

	1930-31 Bus.	1929-30 Bus.	1928-29 Bus.
Aug.	17,639,228	10,156,266	25,057,171
Sept.	19,262,624	7,409,809	26,922,776
Oct.	29,784,275	20,721,853	43,687,219
Nov.	31,217,624	22,444,896	75,416,597
Dec.	22,230,397	15,960,792	49,088,963
Jan.	9,608,852	4,994,054	20,831,304
Feb.	10,296,603	6,732,826	15,220,081
Mar.	12,995,567	11,592,472	21,207,187
Apr.	4,680,769	3,428,406	7,313,528
9 mos. total vol.	166,170,668	103,441,374	284,744,826
Value	$122,612,685	$134,343,573	$310,349,865
May (bus.)	....	13,466,884	27,078,295

While exports of wheat have increased as compared with last year, flour exports have fallen off since December, 1930, in comparison with the corresponding months of the previous year. The volume for the nine months' period however is still ahead of the corresponding period of the 1929-1930 crop year by some 6.4 per cent although value has dropped to $22,493,197 from $29,712,498, a decline of some 18.8 per cent.

Volume of exports has been as follows:

Wheat Flour Exports, Monthly by Crop Years

	1930-31 Bbls.	1929-30 Bbls.	1928-29 Bbls.
Aug.	627,233	643,246	924,646
Sept.	734,349	492,881	889,775
Oct.	813,691	554,039	1,170,979
Nov.	792,271	538,038	1,159,213
Dec.	601,894	604,979	922,965
Jan.	392,256	502,888	933,450
Feb.	414,773	480,587	997,808
Mar.	560,553	680,697	1,412,834
Apr.	326,117	451,395	720,050
9 mos. total	5,263,137	4,948,250	9,131,720
Value	$22,493,197	$29,712,498	$50,180,466
May (bbls.)	....	573,187	906,651

The chief gain in flour exports has been to the United Kingdom which has taken 1,961,762 bbls. as compared with 1,656,869 bbls. in the corresponding nine months of the previous crop year. Exports to other countries increased only 9,000 bbls. to 3,300,746 bbls. While exports of wheat have increased to most countries including the United States and the United Kingdom, the chief increase has been in other countries.

In the current crop year the United Kingdom has taken 58.6 per cent of total wheat exports as compared with 68.6 per cent in the corresponding period of the previous year while the exports to other countries, exclusive of the United States, have increased to 36.6 per cent of the total exported from 26.8 per cent.

WHEAT MOVING DESPITE FACTORS THAT UNSETTLE

(Continued from page 1)

by selling, at much less than replacement cost, about thirty-five million bushels of hard red winter wheat in store at ocean terminals.

Cuts Canadian Price

The purchasers were a syndicate, in which some of the great international dealers in wheat were included. The price, while not definitely made public, was understood to be on the basis of approximately 61 cents a bushel at ocean ports, or about seven cents under the prevailing price of Canadian wheat of normally corresponding value, and at least thirty cents a bushel under the price basis at which such wheat has been pegged in Chicago by Farm Board operations. Apparently the syndicate has been able to make immediate sale abroad of at least a large portion of such wheat, as indicated by large quantities put afloat.

It now appears that the Farm Board have quite definitely abandoned any intention of attempting to sustain prices in the United States during the next crop year by further purchases, being at the same time willing to carry their current accumulation almost indefinitely in order to keep its sale from injuring the price structure. But from the standpoint of physical handling it is necessary to get at least some of the old wheat moving, if channels are not to be clogged.

Lower Acreage Seen

In Western Canada crop prospects until the last few days continued to be unsatisfactory because of moisture conditions, but rain and snow at the beginning of the week proved a bearish influence affecting particularly May and July futures. A reduction of acreage planted in Western Canada is confirmed by all reports as seeding draws to a close, a reduction which will possibly run to seven or eight per cent of last year's area. In terms of probable crop the reduction is less significant, since land left unseeded is mostly that not summer-fallowed last year. Under favorable moisture conditions, or with prices promising a good return on a small yield, most of it would probably have been seeded, for a long seeding season has given farmers a chance to get in the crop. Under prevailing conditions it is preferred to leave such land for summer-fallowing this year, or possibly, should there be rain, to the growing of a crop of feed.

In the face of large supplies of wheat still available, the technical position of the market has been somewhat remarkable with May wheat selling practically on a par with July at some times, and at others at a very small discount, instead of at a full carrying charge under as might have been expected; while at the same time deliveries through the clearing house have been reduced to small proportions, in spite of comparatively small demand for wheat in position at the head of the lakes. It reflects to a considerable extent an improvement in the actual position of supplies, with supplies of Canadian wheat in the east reduced to small proportion, and a considerable part of the Canadian surplus held either in farmers' hands or in country elevators. The hedging of the latter is now in the July option.

FRASER COS. PLAN SCHEME READJUSTMENT

(Continued from page 1)

$5,000,000. On top of this company made arrangements for a special loan of $4,000,000, secured by $5,000,000 of general mortgage bonds, which falls due in July next year. In addition there are the three year notes, totalling $3,500,000, which mature on the same date.

The liability of these three items runs over $13,000,000, for which some arrangement will have to be made to take care of them before maturity. Current liabilities at December 31 last amounted to $1,163,296.

It is not possible at the moment to say what changes will be effected in the capital set-up of the company. At the end of last year. Fraser Cos. had outstanding $8,202,000 of first mortgage bonds; $6,000,000 of 6½ per cent debentures; $3,500,000 of 6½ per cent convertible three-year notes; $1,900,000 of Restigouche first mortgage bonds; and $4,000,000 of notes, secured by a general mortgage bond. There is in addition 403,782 shares of common stock, the shares being of no par value.

The problems confronting the management at present include the working down of inventories to more reasonable proportions; providing for the maturity of the three-year notes and special loan of $4,000,000 falling due on July 1, 1932; liquidating the bank indebtedness and providing adequate working capital.

The caring of these obligations in a way satisfactory to all concerned, is a task of major importance. Those in close touch with the affairs of the organization, however, are of the opinion that the readjustments can be made in such a way that the company will again be placed on a strong footing.

Meanwhile the market value of the securities has depreciated. The common stock has a negligible value, while the mortgages, debentures and three-year notes are selling at a discount. Interest is still being paid on the mortgages and three-year notes, but payments on the debentures were suspended on April 1 last.

H. J. Child is Chairman Montreal Curb Market

MONTREAL.—H. J. Child, of Child & Co. has been elected chairman of the Montreal Curb Market. Mr. Child succeeds A. S. Cassils, of Leggat & Cassils, who has filled the position of chairman for the past year.

In addition to Mr. Child's election, the entire slate was elected by acclamation as follows: vice-chairman, L. R. Cooper; secretary-treasurer, Grant Johnston; board of management, Raymond Allan, W. D. Chambers, L. S. Colwell, R. H. Dean, Henri Geoffrion and C. N. McCuaig; trustee for the gratuity fund, F. S. Mathewson.

Associated Oil Meeting Called

Associated Oil & Gas Co. has called an annual meeting of shareholders for June 5 next, at Calgary, according to an official notice accompanying the annual report.

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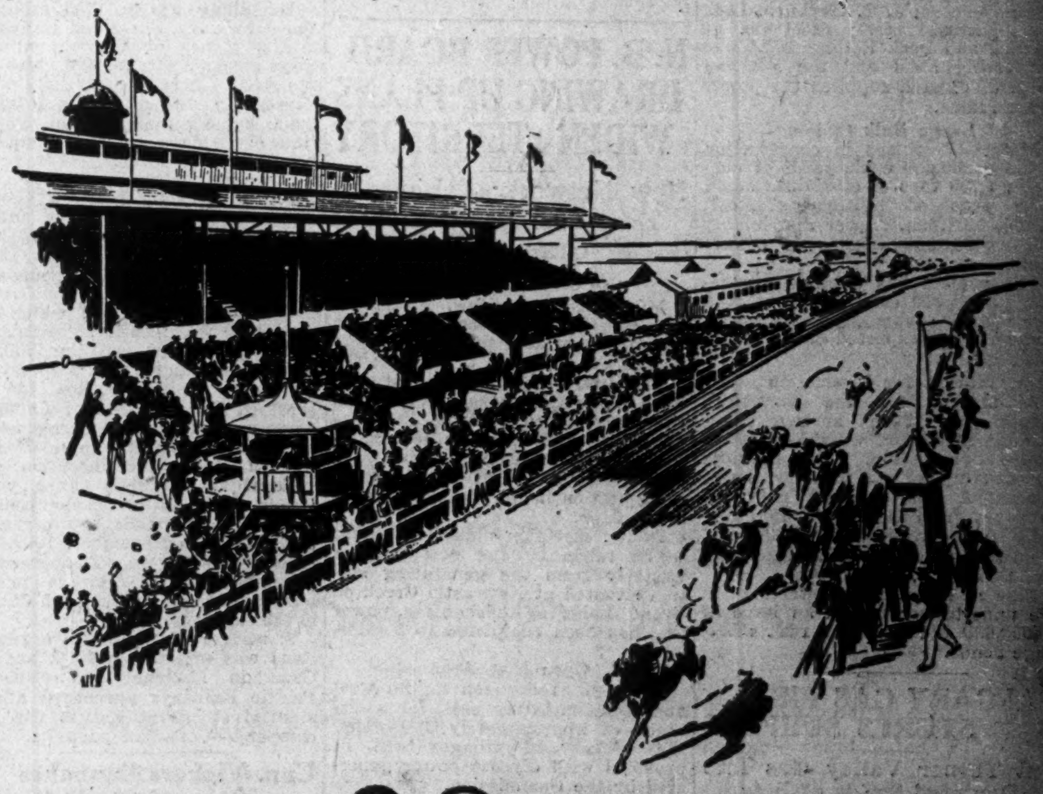
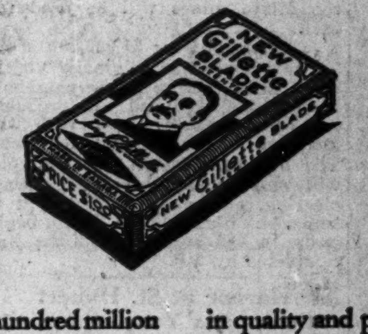
THE VAST MAJORITY DEMANDS GILLETTE



AHEAD 29 YEARS AGO and ahead today



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ENGLISH ELECTRIC COMPANY OF CANADA, LIMITED

AND ITS SUBSIDIARY

THE CANADIAN CROCKER-WHEELER COMPANY LIMITED

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1930

ASSETS: CURRENT ASSETS:			
Cash and Call Loans:			
Cash	$134,041.36		
Call loans (secured)	600,000.00		
		$ 734,041.36	
Investments, at cost		28,883.60	
Accounts receivable, less reserve for bad and doubtful accounts		210,124.95	
Raw materials, work in progress and finished stock		220,509.66	
			$1,193,559.57
DEFERRED CHARGES:			
Unexpired insurance premiums, etc.			10,047.79
CAPITAL ASSETS:			
Land, buildings, plant, patent rights and goodwill			
Balance, January 1st, 1930		2,141,694.83	
Add—Net additions to plant during the year		24,708.80	
			2,166,403.63
			$3,370,010.99
LIABILITIES:—CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		$ 98,591.40	
Dividend on Class "A" shares (paid Jan. 15, 1931)		30,000.00	
			$ 128,591.40
RESERVE FOR DEPRECIATION:			610,393.53
CAPITAL AND SURPLUS:			
As at January 1, 1930		$2,570,096.65	
ADD—Profit for year ending December 31, 1930, after providing for income tax, but before providing for depreciation on buildings and plant	$220,929.41		
LESS—Provision for depreciation	40,000.00		
	$180,929.41		
DEDUCT—Dividends on Class "A" shares	120,000.00	60,929.41	
TOTAL CAPITAL AND SURPLUS		$2,631,026.06	
MADE UP OF—			
Capital Surplus		$2,150,000.00	
Profit and Loss		481,026.06	
			2,631,026.06
REPRESENTED BY— 40,000 Class "A" shares without nominal or par value (Authorized 50,000 shares) callable at $55.00 a share on 30 days' notice, 40,000 Class "B" shares without nominal or par value (Authorized 50,000 shares).			
			$3,370,010.99

Approved on behalf of the Board: R. A. STINSON, Director; GORDON F. PERRY, Director

To the Shareholders:

We have audited the books and accounts of the English Electric Company of Canada, Limited and its subsidiary, The Canadian Crocker-Wheeler Company Limited for the year ending December 31, 1930 and have obtained all the information and explanations which we required; and we certify that, in our opinion, the above Consolidated Balance Sheet as at December 31, 1930, is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs according to the best of our information and the explanations given to us and as shown by the books of the companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

TORONTO, April 29, 1931.

Utilities and Transportation

LARGE CONTRACTS ENTAILED IN WORK AT CHATS FALLS

First Unit Scheduled to Start Operations October 1

From Our Own Correspondent

MONTREAL.—Details of constructional activity in regard to the Chats Falls hydro-electric development of Ottawa Valley Power Co. and the Ontario Hydro Electric Power Commission on the Ottawa River have been outlined in a booklet published by the construction company, Morrow and Beatty. Present programme calls for a development of 224,000 h.p. with an ultimate capacity of 280,000 h.p.

Canada Cement Co. has supplied the cement for the project; Canadian Bridge Co., the outside switching structures; Canadian General Electric, the transformers; Canadian Westinghouse, the generators and switches; Dominion Bridge Co., the sluice and head gates; Dominion Engineering Co., the water wheels and governors; J. T. Hepburn, Ltd., the structural steel; Steel Co. of Canada and Peck Rolling Mills, the reinforcing steel and the Whiting Corp. of Canada supplied the power house frame.

Large Bulk Orders

Materials utilized in construction included 250,000 cubic yards of concrete; 1,700 tons of structural steel; 3,500 tons of reinforcing steel; 15,000,000 f.b.m. timber and lumber and 95,000 cubic yards of coffer-dams.

The project has entailed excavation of 275,000 cubic yards of rock and 200,000 cubic yards of earth. Completion is expected in the fall of this year.

Market for Production

A market for the company's output has been arranged for through a contract with the Ontario Hydro Commission, which provides for delivery of all primary power generated. The contract runs for 40 years from October 1, 1931 and calls for delivery of 48,000 h.p. from that date, and a further 48,000 h.p. October 1, 1932.

Public investment interests in the undertaking lies in an issue of $9,000,000 5½ per cent first mortgage bonds.

CALGARY GAS FIRM STORES SURPLUS

Put Turner Valley Gas Into Depleted Sands of Bow Island

From Our Own Correspondent

MONTREAL.—Proposals to store vastly greater quantities of natural gas in the depleted sands of the Bow Island field, 140 miles south-east of Calgary, have been adopted by the Canadian Western Natural Gas, Light, Heat & Power Co., an organization supplying natural gas to consumers in Calgary, Lethbridge and various towns in southern Alberta. This concern is the subsidiary of the newly formed Dominion Gas and Electric Co.

Toward the end of July last year the company started the experiment of forcing surplus natural gas from the Turner Valley field into the depleted sands of the Bow Island field. That the experiment has met with success is indicated by the fact that the company is proposing to treble the capacity of the re-pressuring plant at Bow Island with the object in view of storing about 15,000,000,000 cubic feet of gas within the next ten years.

Spend Large Sums

Capital expenditure on the Bow Island storage scheme so far has amounted to $200,000 and the amount of gas already stored totals 1,200,000,000 cubic feet.

The cost of trebling the capacity of the plant will be approximately $130,000, and there will be another $100,000 for future repairs to the old Bow Island wells, which will result in a total expenditure of $430,000. The reserve of gas in the Bow Island field at present is estimated at 7,000,000,000 cubic feet.

The Bow Island field formerly supplied Calgary with its entire supply of natural gas. It is connected to that city with a pipe line 170 miles in length. It has been possible to utilize the pipe line to convey Turner Valley gas from the field 25 miles south-west of Calgary, where large quantities of gas have been going to waste, to Bow Island for storage in the first experiment of the kind conducted in Canada. The Bow Island field has 29 wells into which the gas can be forced under pressure for storage.

Sydney, Glace Bay Rly. to be Sold at Auction

From Our Own Correspondent

MONTREAL.—It is reported that assets of Sydney and Glace Bay Electric Railway Co., subsidiary of Cape Breton Electric Co., will be sold at public auction under foreclosure order, on June 5, 1931, at Sydney, N.S. The assets of the parent company were sold under a similar order on April 29.

Sydney and Glace Bay Electric Railway has outstanding $113,000 of 5 per cent first mortgage bonds on which interest was defaulted in July, 1930. Principal and interest was guaranteed by Cape Breton Electric Co. which held $220,000 of its subsidiary's bonds, in addition to those held by the public.

Sydney and Glace Bay Railway owns an interurban line 19 miles long between Sydney and Glace Bay. This has been operated by Cape Breton Electric since 1911 under a 99 year lease.

Southern Canada Power Sell Large Number of Appliances

From Our Own Correspondent

MONTREAL.—Sale of electrical appliances has advanced in importance until today it is recognized as a major means of increasing the power load factor of retail distributing companies. Southern Canada Power has been particularly active in fostering merchandise sales, and the following record covering the period from 1918 to 1930 indicates the many uses to which electricity is being put for purposes other than mere lighting:

3,300 electric ranges.
3,100 hotplates.
2,100 water heaters.
3,300 vacuum cleaners,
6,300 toasters.
6,300 washing machines.

In addition, quantities of radios, refrigerators, fans, irons, percolators and other appliances have been sold by the company to its customers.

Neill and Kilbourn Join Canada Cement Directorate

From Our Own Correspondent

MONTREAL.—At a meeting of directors of Canada Cement Co., C. E. Neill and F. B. Kilbourn were elected to the existing vacancies on the board.

Mr. Neill is vice-president and managing director of the Royal Bank of Canada, while Mr. Kilbourn is general superintendent of Canada Cement.

Southern Canada Power Sets Pace

From Our Own Correspondent

MONTREAL.—In the period between 1915 and 1930, 100 new industries were established in the territory served by Southern Canada Power Co. The capital invested in these enterprises amounts to $100,000,000 while employment is given to 20,000 workers, to whom salaries and wages totalling $20,000,000 are paid.

The growth of the company has kept pace with the expansion of its territory, as evidenced by the fact that the capacity of its power plants has increased from 12,000 h.p. in 1915, to 80,000 h.p. in 1930. Investment in plant and equipment has increased ten-fold, from $3,000,000 to $30,000,000, while the annual output has jumped from 14,000,000 to 200,000,000 kw.h. The number of municipalities now served by Southern Canada Power totals 120, compared to 50 in 1915.

N. B. POWER BOARD DRAWING UP PLANS WIDEN TERRITORY

New Network of Lines to Distribute Power from Grand Lake

From Our Own Correspondent

MONTREAL.—New Brunswick Electric Power Commission has awarded contracts to the Canadian Bridge Co. for steel towers for the Grand Lake—Moncton transmission line. Some 360 large steel towers will be required for this line, approximately 65 miles in length, to carry electric energy from the Commission's new pit mouth generating station in the Minto coal area to Moncton.

In the direction opposite to that to be taken by the new line, or westerly from the generating station situated at Newcastle Creek on Grand Lake, a high-tension power line has been completed to Fredericton.

Open New Area

Between Fredericton in the west and Moncton in the east, for a distance of approximately 100 miles, the towns and villages will be provided with electric power generated by the Commission.

Erection of an ultra-modern steam electric plant on Grand Lake to utilize New Brunswick coal was authorized by the Government over a year ago. Construction started in the fall of 1930 and is expected to be completed shortly. The station's equipment will include two 2,500 kilowatt steam turbine generator units and it can easily be arranged to greater capacity than the 5,000 kilowatts provided in the initial installation. Pulverized coal from the Minto mines will be used for fuel.

Expend Over $1,000,000

The project was originally understood to be costing in the neighborhood of $800,000 and will probably cost considerably more with the inclusion of the transmission lines. The line to Moncton, for example, will cost including right of way, clearing, etc., about $325,000, it is rumored. Construction is to begin early in the summer and the line completed by fall.

Air Harbor at St. Hubert Completes Year of Activity

Air traffic at the customs air harbor at St. Hubert, near Montreal, showed substantial increase in the year ended March 31, 1931, as compared with the previous year. Customs returns show 1,482 aeroplanes inward and outward bound as against 473 in the year ended in 1930. Increases are reported in passengers to 1,765 from 1,451; pieces of baggage to 1,790 from 324; express parcels to 2,093 from 231 and bags of mail to 8,470 from 7,845. Value for duty of aeroplanes and parts imported was $200,611 as against $567,437 the previous year.

ARCTIC AIR MAIL TO BE OPERATED BY CAN. AIRWAYS

Takes Over Contract With Commercial Airways

From Our Own Correspondent

MONTREAL.—Canadian Airways has extended its activities still further by entering into an arrangement with Commercial Airways of Edmonton. The latter company inaugurated in December 1929, a regular air mail service between Fort McMurray, Alta., and Aklavik, N.W.T., at the mouth of the Mackenzie River.

It has been explained that the assets and liabilities of Commercial Airways have not been assumed, but, by arrangement with the government, its air mail contracts have been taken over. At the same time Canadian Airways has purchased four of Commercial Airways Bellanca aeroplanes and one Lockheed.

Penetrate Arctic Circle

Extending nearly 1700 miles up the Athabaska, Slave and Mackenzie rivers, planes of Commercial Airways have penetrated 300 miles into the Artic Circle to carry letters and express to Aklavik; trips formerly made by dog teams in the elapsed time of 70 days are now completed by plane in 48 hours.

Canadian Airways, through its western division, Western Canada Airways, is active in the prairie provinces. During 1930, Western Canada Airways carried 12,036 passengers and 772,113 pounds of freight.

Commercial Airways, which has now lost its identity, transported 49,386 pounds of mail in 1930, on its northern air route. Its operations will now be undertaken by the Western Canada lines of Canadian Airways and various economies in overhead are expected to be effected.

Progress Since Inception

Canadian Airways have made steady progress in development of an important trunk line organization. Prior to November, 1930, two main routes were in operation—Western Canada Airways in the west and Aviation Corp. of Canada in the east.

A merger of these two organizations was effected in 1930, and the Canadian National and Canadian Pacific Railways purchased a substantial stock interest in the new company—Canadian Airways.

Can. Vickers Launches First of Six Bellancas

From Our Own Correspondent

MONTREAL.—Canadian Vickers has completed and launched the first Bellanca photographic seaplane of a Government order of six similar aircraft. The other five machines will be launched within the next month.

These six planes were ordered by the Dominion Government early last winter for use in aerial mapping and photographic work for the Department of Civil Government Air Operations. Bellanca Aircraft of Canada arranged to have the airplanes built entirely in Canada and the contract was awarded to Canadian Vickers under license.

The machines will have wheel equipment for conversion to land planes. The 300 h.p. Wright engines were assembled at the plant of Canadian Wright, Ltd., near Montreal.

Gatineau Power Co. Lighting Sales Gain

From Our Own Correspondent

MONTREAL.—Gatineau Power Co., subsidiary of Canadian Hydro-Electric Corp., reports consumption of electric energy for lighting and appliance use as being 15 per cent greater in March last than in the same month a year ago. This increase was greater than in either of the two preceding months of this year over the corresponding months of last year.

Gatineau Power Co. is completing 4½ miles of distribution line on Ile Perrot. The line will be connected with its system.

Among the important new customers of the company is the Lucerne-in-Quebec development at Montebello. The subdivision area adjoining the hotel, where rustic cottages are being erected in harmony with the surroundings, is also served by the distribution line of the company.

North-east Canada Holds Great Industrial Promise

Enormous Power, Mineral Wealth and Workers' Climate of Laurentian Plateau Foundation for Prosperous Section

With enormous power, great mineral wealth, and a workers' climate—Northeastern Canada has a foundation for one of the most prosperous sections of the world of the future, according to a bulletin issued by Arthur D. Little Inc., well-known industrial chemists of Cambridge, Mass.

Geologically unique on the American continent is the great Laurentian Plateau of Canada, an enormous and inexhaustible reservoir of hydro-electric power, and thus a major factor in the future of industrial North America. In spite of temporary periods of over-production or lack of adjustment, the bulletin says, the importance of this power resource looms greater with every advance in electro-chemical manufacture and distance transmission of power.

Vast Drainage Area

From the St. Lawrence to Hudson Bay, stretch thousands of square miles of elevated drainage area, with hills of moderate and almost uniform height underlain by the oldest rocks known—more continuously than any other area in the Western Hemisphere. Worn almost flat by erosion, uplifted and then eroded into valleys, these valleys in turn dammed by deposits of glacial débris, the present drainage area comprises a system of natural reservoirs and barriers ideally adapted to hydro-electric development. At the headwaters of the St. Maurice, for example, a relatively small man-built barrier stores 175 billion cubic feet of water in a vast wilderness reservoir that has not yet been completely measured or mapped. At Shawinigan Falls, near the mouth of the St. Maurice River and below the plateau proper, is the first of the great Laurentian power sites to be developed commercially by the Shawinigan Water and Power Co., and about 300,000 horsepower has been installed there. Below it is La Gabelle with approximately 150,000 horsepower, and above it Grand 'Mère with nearly 200,000 horsepower. Six more large plants averaging 100,000 horsepower each are projected farther upstream in the wilderness, and the first is now under way at Rapide Blanc.

Farther west, on the Lièvre River, the Maclaren Power and Paper Co. has two new power installations, one of them under construction, averaging approximately 100,000 horsepower. The waters of the Gatineau start on the Arctic divide near the headwaters of the St. Maurice. On this river the Canadian International Paper Co. in the last decade developed three plants with a capacity of over 500,000 horsepower, within thirty-five miles of Ottawa.

Power in Ontario

From the Arctic divide the Abitibi River flows north down the Arctic slope to James Bay. Here the Abitibi Power & Paper Co. has developed power at Iroquois Falls and at Twin Falls, used principally for wood grinding, and seventy miles north at Island Falls exists one of the several interesting Canadian power projects producing electricity for generating steam for industrial purposes, where white coal is cheaper than black. Thirty miles north of Island Falls, within a hundred miles of James Bay, a great canyon with sheer rock walls 170 feet high, topped by a hundred feet or more of less precipitous embankment, forms the setting for a dam 260 feet high and another huge development to produce some quarter million horsepower. The foot bridge across this spectacular Abitibi Canyon stretches a hundred and forty feet above the water. There are other plants on the Arctic slope, principally supplying paper mills with power and electric steam, but they are small for Canada—one, for example, is of 50,000 horsepower.

Far east of the Abitibi on the plateau is a great natural basin in which Lake St. John, 30 miles wide, serves as an excellent reservoir for a number of rivers, and is drained by the Saguenay River. The Saguenay in forty miles drops 340 feet, and on it the Duke-Price interests built the Isle Maligne plant, with a capacity of 500,000 horsepower in one power house. Of this amount 100,000 horsepower is sent to Quebec, 130 miles across wilderness. Here aerial photographs were of great assistance in locating the transmission line. Only 100 feet of the head is used by the Duke-Price plant, and the balance is being developed by the Aluminum Company of Canada, Ltd., which has a huge aluminum plant at Arvida, where, with power developments now under construction, a million horsepower will be harnessed. What was formerly an isolated French farming community is becoming an important industrial district.

East of the Saguenay, along the north shore of the Gulf of St. Lawrence, are many other rivers with great possibilities, and yet farther east of the Hamilton River in Labrador, with enormous but unmeasured potential power. Buried deep in Labrador are the Grand Falls, reported by the few explorers who have survived the journey as surpassing Niagara. Utilization of Grand Falls power is no more unreasonable than Saguenay projects appeared a few decades ago.

Develops Ottawa River

Adjoining the Laurentian Plateau are other power sites of significance—on the Ottawa River a quarter million horsepower is reported under construction by the Royal Securities Corp., while on the St. Lawrence the Beauharnois site, entirely in Canadian territory, is under development by private investment; a site that is said to offer as much power as all the international section of the St. Lawrence about which there has been so much public discussion in the United States. Several million horsepower awaits developments in the St. Lawrence alone.

Utilize Rich Resources

Canada has many resources dependent upon power for their fullest and best utilization. Within a hundred miles of the Abitibi Mills at Iroquois Falls are three great mining districts—the Porcupine gold, the Kirkland Lake gold and the Rouyn-Noranda copper districts, and farther south is the Sudbury copper-nickel mining district. The Abitibi power will be divided equally between electric steam at the mill and the great Sudbury mining district, 200 miles to the south.

Canada is already first in nickel, second in gold, a leader in copper, fourth in lead, sixth in zinc; has other metals and many non-metals, as well as some coal and petroleum. New mining areas are being prospected, for instance, the Chibougamau district north of the St. Maurice, where diamond drills are being delivered by airplane.

SEEK PERMISSION FOR POWER LINES

Beauharnois Getting Ready to Make Deliveries to Ontario

From Our Own Correspondent

MONTREAL.—Application has been made to the Quebec Public Service Commission by Beauharnois Light, Heat & Power Co., subsidiary of Beauharnois Power Corp., for authority to construct two 220,000 volt transmission lines to Quebec-Ontario border for delivery of 250,000 h.p. to the Hydro-Electric Commission of Ontario.

The application sets forth that the corporation wishes to construct the transmission lines to run on towers an average of 1,056 feet apart, through Beauharnois and Soulanges counties to the Ontario line, which it will cross in the Rivière à Beaudet district in the Parish of St. Telesphore.

Build Telephone Line

Accompanying the application for the power lines is also one for a telephone line.

Power is to be delivered from the Beauharnois plant, near Melocheville, P.Q., via the 23 mile line to the border and thence to a sub-station outside Toronto.

The route of the line projected brings into the case the Quebec Department of Highways, the Canadian National Railways, the New York Central Railroad, the Bell Telephone Co. of Canada, the Canadian Light and Power Co., all having properties to be crossed by the Beauharnois wires.

UNITED TOWNS CO. PLANS EXPANSION

Newfoundland Electric Concern Proposes New Facilities

From Our Own Correspondent

MONTREAL.—Plans are being considered by the United Towns Electric Co. for the construction of a substation on Bell Island, Nfld., with sufficient capacity to care for the light and power requirements of the island.

Subsequent to the company's taking over the franchise from the Wabana Light & Power Co., Dominion Steel & Coal Co., had reduced by 2 cents the cost of power supply, and this has been passed on to the consumer as from April 1 last. The former price was 12 cents a kw.h., the new price being 10 cents.

Plan Further Cut

When distribution from the mainland is reorganized, through the Newfoundland Light & Power Co., further substantial reductions will be made in light and power rates.

The telephone system of United Towns Electric Co. will also be reorganized, the telephone exchange being situated in the new substation. The exchange will be equipped with the latest switchboard, similar to those already in use in St. John's. Orders for this equipment have already been placed.

Avon River May Acquire Sheffield Mills Power

From Our Own Correspondent

MONTREAL.—Avon River Power Co., subsidiary of Nova Scotia Light & Power Co., may acquire the Sheffield Mills Light & Power Co. The Nova Scotia Board of Public Utilities has approved the application of Sheffield Mills Light & Power to transfer its assets and undertakings to Avon River Power.

The latter company recently acquired the municipal plant of Middleton, N.S.

Public Utility Earnings

Southern Canada Power

	1931 $	1930 $	Inc. $
April:			
Gross	188,388	181,759	6,629
Exp.	72,778	66,471	6,307
Net	115,610	115,288	322
7 months:			
Gross	1,403,662	1,337,253	66,409
Exp.	528,486	470,695	57,791
Net	875,176	866,558	8,618

Magdalen Island Fishing Industry

All told, 3,024 persons were employed in the fisheries of the Magdalen Islands last year, 2,710 men and 314 women. The number was slightly greater than in 1929.

Don't Wait

Subscription Books of the new Dominion Conversion Loan are expected to close May 23rd. The conversion privilege has been eagerly accepted by thousands of careful investors who wish to extend the term of their investment in Dominion of Canada bonds by a further 15 and possibly 25 years.

It is only necessary to send us a memorandum of your present holdings, and we shall assist you to complete the transaction in the manner most convenient to you.

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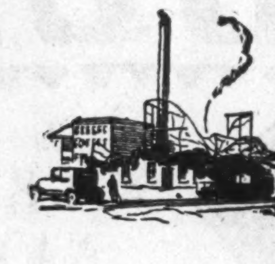

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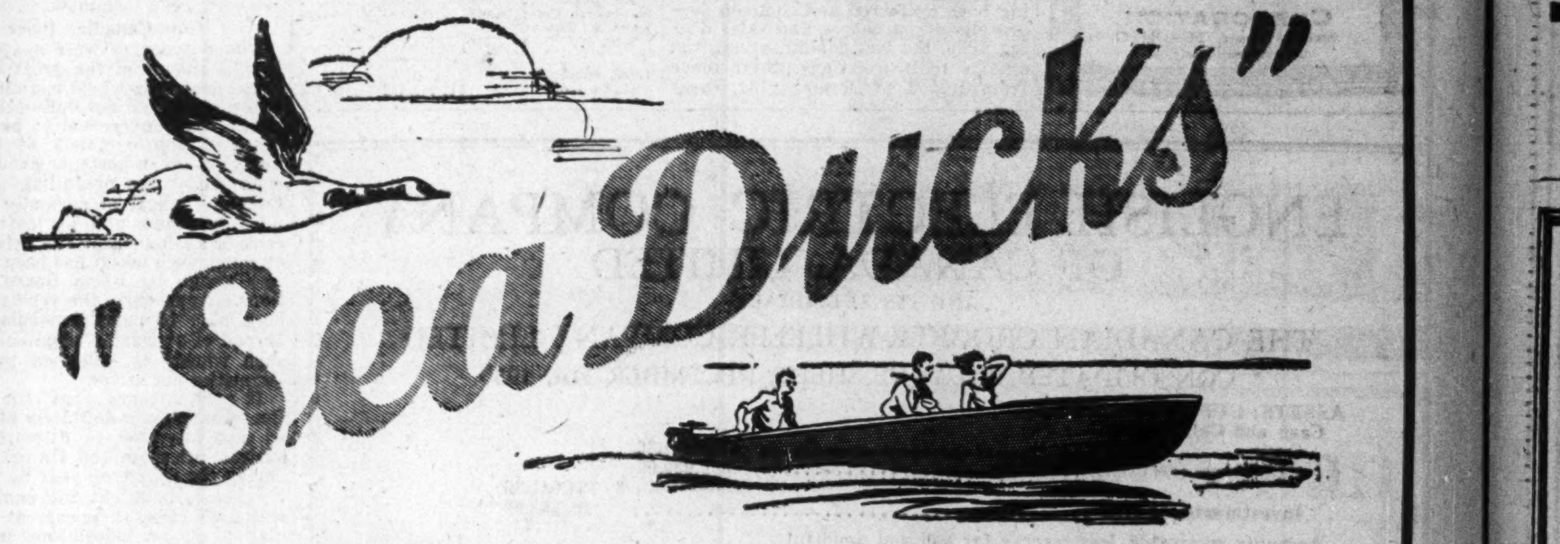

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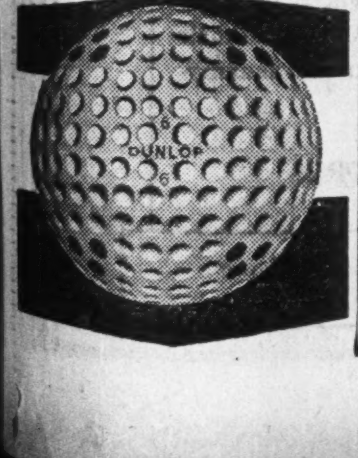

News of Investment Markets

BOND MARKET IS DOMINATED BY REFUNDING

$250,000,000 Conversion Loan Passes Objective By Wide Margin

B. C. SELLS BONDS

Interest in High-grades is Stimulated While Second-grades Lack Appeal

With distribution of the Dominion of Canada Conversion Loan well past the stated objective of $250,000,000 and indications pointing to issuance of the full authorized amount of $500,000,000, Canada can be said to have passed the initial step in the refunding of the war loans with complete success. With the subscription lists closing on May 23, exchange is still progressing in good volume both by individual investors and by corporations. It is understood that the total is being swelled by insurance companies which have had their investment on deposit in various parts of the country involving collection of their bonds from different sources in order that exchange could be transacted at one time.

Municipalities have largely withdrawn from the bond market pending the completion of Dominion refunding activities and there have been no important sales in the past week nor is there any great amount of new issues in immediate prospect. It is anticipated, however, that volume will increase during June before the usual midsummer slackness. The only issue of major importance for which tenders have actually been called is that of an $8,000,000 loan sought by Newfoundland. It is understood that Windsor may come into the market shortly with bonds to the amount of some $900,000.

British Columbia has sold $7,524,000 of 4 per cent bonds at what is regarded a very favorable price. The transaction was carried on quietly and two blocks of bonds were sold to a syndicate headed by Fry, Mills, Spence & Co. On a block of $4,324,000 4 per cent 30-year bonds the reported price was 92.51 for a cost basis of 4.455 per cent, while $3,000,000 4 per cent 5-year bonds brought 98.68, to cost the province 4.29 per cent. Both issues are payable in Canada and New York.

It is stated that only once in the past 20 years has the province received such a high price for long-term bonds. The exception was an issue of $1,000,000 4's, sold in 1927, on a cost basis of 4.42 per cent. The current long-term issue was for the purpose of refunding a short-term loan floated in May, 1930, on a cost basis of 4.40 per cent. The current short-term bonds were to convert treasury bills outstanding to cover road work, building construction and improvements to the Pacific Great Eastern Railway.

For the third consecutive week there has been marked strengthening in Dominion and Dominion guaranteed bonds, while provincial issues have either firmed or have maintained their position. The seasoned public utilities have also exhibited a somewhat stronger tone, but the industrial issues have generally been weaker due largely to lack of confidence in the industrial situation and lack of any definite sign of a business improvement in the immediate future. Earnings statements and action taken in regard to dividends offer small hope that the general run of industrials will show any improvement in earnings during the current year as compared with 1930.

The average investor appears to find little appeal in the second grade bonds at the present time due to unsettled conditions, but an increased interest is reported in the strictly high grade obligations. A plausible explanation of this is that due to Dominion refunding activities investors have been awakened to the possibilities of the trend of interest rates continuing downward and have come to realize that rates prevailing during and since the war are out of line with the general level over a more extended period. From this viewpoint the yields to be obtained on Federal, provincial and municipal obligations are still attractive, while such issues assure a minimum of risk which cannot be dis-associated from an industrial enterprise.

Extend Coverage of Policies

Extension of policy contracts to cover loss incurred by riot or civil commotion and damage from impact or aircraft, without additional premium deposit, has been announced by Boston Manufacturers' Mutual Fire Insurance Co. Action was taken by the directors on the recommendation of the executives of the company, and all policies are bound to include the additional liability without attachment of formal riders or payment of additional premium.

Gatineau Power Sets April Record

From Our Own Correspondent

MONTREAL. — Despite rumors to the effect that the company was suffering from a shortage of water, The Financial Post is reliably informed that Gatineau Power Co., subsidiary of Canadian Electric established a new output record in April. Contrary to the report, Gatineau Power has not used to date its top reservoir, while an additional 2,500,000 cubic feet of water is being stored daily. All units are operating.

Last year Gatineau Power produced 2,269,977,000 kw.h. This compares with 2,037,100,000 kw.h. in the preceding year. The system's peak load in 1930 was 545,495 h.p., up from 504,400 h.p. in 1929.

Dominion Park Season Depends on Weather

From Our Own Correspondent

MONTREAL.—Dominion Park Co. has opened its amusement plant in Montreal for the current season; many and varied are the attractions which the management promises to the pleasure-seeking public. The weather, however, is a factor over which the management has no control and it is fine weather which plays the most important part in a successful summer for the company.

Weather conditions surrounding Dominion Park Co. in the last fiscal year ended October 31, 1930, were particularly adverse. Consequently general revenue amounted to only $191,173 as compared with $236,451 in the preceding period. After all deductions the loss for the year was $10,695 as opposed to a profit of $14,536 in 1929, which included a distribution of $2,000 in dividends. No payment was made on the stock last year.

The $400,000 of capital stock is listed on the Montreal Stock Exchange but seldom makes its appearance in trading.

Bond Tenders

May 22, Newfoundland—$8,000,000, 5 per cent bonds due June 30, 1956. Interest payable Jan. and July 1. Payable at the office of the Minister of Finance and Customs, St. John's, or at the Bank of Montreal, St. John's, or at par of exchange at the following places, namely: Bank of Montreal, Montreal, New York, and London, England. The bonds will be free from all present and future taxes including income tax payable in Newfoundland. Peter J. Cashin, Minister of Finance and Customs, St. John's, Nfld.

4 o'clock, May 26, Cap de la Madeleine—$40,000, 5 per cent road bonds, dated Feb. 2, 1931, redeemable serially from May 2, 1932, to Feb. 2, 1961. Capital and interest payable at Banque Nationale at Montreal, Quebec, Three Rivers or Cap de la Madeleine. R. Morissette, clerk.

5 p.m., May 29, Peterborough, Ont.—$347,000 4½ per cent sinking fund debentures dated June 30, 1931 and payable June 30, 1951. Payable at Peterborough City Trust Co. F. Adams, city treasurer.

June 1, Mun. of Restigouche—$15,000, 5 per cent gaol debentures, dated June 1, 1931, due June 1, 1951. Stanislas Blanchard, sec.-treas., Dalhousie, Restigouche County, N.B. (See announcement on page 8).

4 o'clock, June 2, La Tuque, Que.—$9,000, 5 per cent sewer and paving bonds redeemable serially from March 1, 1932, to March 1, 1951; capital and interest payable at Banque Nationale at Quebec or Montreal; $75,000, 5 per cent paving, aqueduct and sewer bonds, due serially from May 1, 1932 to May 1, 1951. Capital and interest payable at Banque Nationale at Quebec or Montreal. P. E. Qiberdy, sec.-treas.

8 o'clock, June 2, Village of Belle River—$8,500, 6 per cent waterworks debentures, dated June 1, 1931, redeemable annually within 20 years, from 1932 to 1951. Mederic Forget, clerk. (See announcement on page 8).

June 15, New Waterford—$100,000, 5½ per cent 20-yr. debentures, dated May 15. W. J. Hinchey, mayor. (See announcement on page 8).

10 a.m., May 23, Windsor.—Separate tenders are asked for each of the following blocks of bonds:

$ 87,686	5%	20-ins.	dated Dec. 1, 1929.
$ 67,137	5%	20-ins.	dated Dec. 1, 1929.
$ 18,500	4½%	10-ins.	dated Dec. 1, 1930.
$365,667	4½%	20-ins.	dated Dec. 1, 1930.
$ 13,951	4½%	15-ins.	dated Dec. 1, 1930.
$209,615	4½%	10-ins.	dated Dec. 1, 1930.
$ 12,677	5%	5-ins.	dated Dec. 1, 1930.

In addition the corporation is offering for re-sale the following bonds:

$6,000, 5%, due Dec. 1, 1933; $4,000, 5%, due Dec. 1, 1933; $4,000, 5%, due Dec. 1, 1934; $1,000, 5%, due Dec. 31, 1931; $31,000, 5%, due Dec. 1, 1935; $6,000, 5%, due Dec. 1, 1933.

Bonds are all payable at Windsor. M. A. Dickinson, city clerk.

Bond Sales

BRITISH COLUMBIA

A syndicate composed of Fry, Mills, Spence & Co., McLeod, Young, Weir & Co., Bell, Gouinlock & Co. and Victor W. Odlum Brown & Co., has been awarded $4,324,000, 4 per cent debentures dated May 15, 1931, and due May 15, 1961, payable Canada and New York at 92.51; cost basis 4.455 per cent. Public offering is being made at 93¾ to yield 4⅜ per cent. In addition to the 30-year bonds, the syndicate also purchased $3,000,000 4 per cent, 5-year bonds at 98.68; cost basis 4.29 per cent.

A syndicate headed by Dillon, Read & Co. which included Dominion Securities Corp., Wood, Gundy & Co., Can. Bank of Commerce, Royal Bank and A. E. Ames & Co., also tendered for the bonds.

COUNTY OF HALIFAX

Dominion Securities Corp. has been awarded an issue of $67,000, 5 per cent debentures of the county of Halifax, due June 1, 1961, at 105.08; cost basis 4.64 per cent. Bids are reported as follows:

1	Dom. Securities Corp.	105.08
2	C. H. Burgess & Co.	104.03
3	J. M. Robinson & Sons	104.00
4	Royal Securities Corp.	103.85
5	Eastern Securities Co.	103.79
6	Nova Scotia Bond Corp.	103.729
7	Johnston & Ward	103.71
8	Gairdner & Co.	103.57

CON. INVESTMENT DEFERS DIVIDEND ON SENIOR STOCK

Big Management Trust Finds Revenue Falling Behind

From Our Own Correspondent

MONTREAL.—Directors of Consolidated Investment Corp. of Canada have deferred the quarterly preferred dividend ordinarily payable at the beginning of next month. There is $10,000,000 of preferred stock outstanding, on which the dividend of 5 per cent is cumulative.

In making the announcement it was pointed out that the percentage of bonds held by the company had increased to approximately 32.66 per cent of total book value of investments as of May 15, 1931, compared with 21.47 per cent as at December 31, 1930. The percentage of total book value in common stocks had decreased to approximately 48.69 per cent as compared with 54.24 per cent as at the end of last year.

Security Has Depreciated

According to the annual report the market value of securities owned by Consolidated Investment Corp., after taking into consideration the amount at the credit of the investment reserve, showed a depreciation from book value of $10,416,093, or 28.47 per cent of the total assets. Since that time there has been a further decline in value, accompanied by a decrease in revenue from interest and dividends, indicating that the preferred dividend will not be fully earned during the current year.

Consolidated Investment Corp. of Canada came into being early in 1929. It is an investment trust of the management type. Public financing took the form of $15,000,000 of first collateral trust 4½ per cent bonds, and $10,000,000 of 5 per cent cumulative redeemable preferred stock, of the par value of $100 a share.

Robin, Jones & Whitman Report Off Season in 1930

From Our Own Correspondent

MONTREAL.—Robin Jones & Whitman, operating a trading and fishing business in Quebec and the Maritimes, report a loss of $44,011 on operations for the year ending March 31 last. This amount added to the two quarterly payments of dividends on the preferred stock of $25,440 reduces the profit and loss balance from $70,730 to $1,278. This compares with net profit for the year ending March 31, 1930, after payment bond interest, of $85,052.

A. E. Jones, president, states that the loss may be attributed to the very poor catch of cod-fish in the Gaspé and Bay Chaleur districts, which was only about half of a normal year. "The purchasing power of the communities served was, therefore, reduced, with a consequent falling off of our sales of general merchandise," he adds. "Another cause has been the very low prices at which Norwegian, Icelandic and British dried fish have been sold in foreign markets, due to the very large catch secured by Icelandic fisherman. Political and financial troubles in Brazil, where currency is worth about 65 per cent of values ruling a year ago, have seriously affected the demand from that country. It is encouraging, however, to note that the Iceland and Norwegian fisheries for the season of 1931 are reported as being so far only about one-half of last year's figures, so that competition from these countries should be less severe in the future."

Newfoundland to Sell $8,000,000 Tax Free Bonds

From Our Own Correspondent

MONTREAL.—Newfoundland is seeking tenders for $8,000,000 of 5 per cent 25 year bonds or sterling equivalent at 4.86 2-3 per pound. Applications will be received at the Bank of Montreal in London, New York, Montreal and St. John's, Nfld., up to May 22.

The bonds will be free from all present and future taxes, including income tax payable in Newfoundland.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone	4½%	1962	†Nov. 1	105
Brazeau Collieries	7%	1935	*July 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
Buffalo & Ft. Erie Pub. Bridge	*7%	1955	June 1	107
Wabasso Cotton	*6%	1947	June 1	105
West Kootenay Pr.	6%	1940	Sept. 1	110
Do.	6%	1943	June 15	104
Ogilvy Realty	6½%	1952	June 1	106
Imperial Realty	*6%	1945	July 1	103
B.C. Electric	5%	1944	June 15	100
Nashwaak Pulp	*6%	1936	July 1	100
Mont Louis Seigniory	*6%	1944	June 1	...
Stock Issues—				
Standard Brands	*7% pref. "A"		July 1	120
Foreign Issues—				
Kingdom of Denmark	*5%	1955	Aug. 1	100
Hungarian Land Mtg. Institute	7½%	....	July 1	100
Rep. of Panama	5½%	1953	June 1	102½
Polish Syn. of Germany Ser. "C"	†6½%	1958	July 1	102½

*Called in part.
†Or before.

W. A. BEST FINANCES TO BUILD CANNERY

First Mortgage Bonds Offered With Rights and Stock Bonus

Financing is being undertaken by W. A. Best, Ltd., in the form of $100,000 of 6½ per cent first mortgage sinking fund bonds to pay off a mortgage of $17,000 and to build a cannery. The company owns some 70 acres of town garden lands and four greenhouses and glass-equipped hot beds covering approximately seven acres, at Wellington, Ont.

With the new cannery the company proposes to engage in specialized canning in a tariff protected, non-competitive field. The business of the company will consist of greenhouse production of tomato and other plants; garden production of staple and fancy fruits and vegetables; production and sale of seeds; the manufacture and sale of tomato pulp; distribution of fertilizers and other products of Canadian Industries Ltd., and plant and produce contracts with Prince Edward County farmers and for outside shipment. The company has acquired the business and undertaking of W. A. Best & Sons which was established for 23 years.

The details of the current offering are as follows:

$100,000
W. A. BEST LIMITED
6½% First Mortgage S. F. Gold Bonds
Dated: May 1, 1931; due May 1, 1946.

Interest Payable: May and November 1, at the Canadian Bank of Commerce, Toronto, Belleville, Trenton, Picton and Wellington.

Denominations: $1,000, $500 and $100, coupon bonds with privilege of registration as to principal.

Trustee, Registrar and Transfer Agent: Trusts & Guarantee Co., Toronto.

Redeemable: In whole or in part, at option of the company, on 60 days' notice at 103.50 to April 30, 1932; and thereafter at a premium of ¼ of 1 per cent less for each succeeding year to maturity.

Sinking Fund: Cumulative, annually from May 1, 1934, a sum equal to 1¾ per cent of par value of all bonds issued plus interest on bonds previously redeemed. A life insurance policy for $100,000 will be carried on the life of K. G. Best and hypothecated with trustee as additional security. The sinking fund plus cash surrender value of life insurance policy at maturity of the bonds will, it is estimated, be sufficient to retire 60 per cent of the total issue.

Security: Bonds will be a specific first closed mortgage and charge on all property of the real property and plant of the company situated at Wellington, Ont.

Capitalization: On completion of financing.

	Authorized	To be Issued
6½% 1st mtge. s. f. bonds	$100,000	$100,000
Common, n.p.v.	50,000 sh.	*39,513 sh.

*Including 2,000 shares held for sale and bonus with bonds.

Offering: $100,000, May, 1931, at par with a right to purchase one share of common stock at $10 with each $100 par value of bonds and a bonus of one share of common for each share of stock so purchased, by K. F. MacLaren & Co.

OGILVY REALTY ISSUE MORTGAGES

Montreal Departmental Store Property Bonded for $1,250,000

From Our Own Correspondent

MONTREAL.—Nesbitt, Thomson & Co. has a public offering of $1,250,000 of 5½ per cent first closed mortgage bonds of Ogilvy Realty Corp. This company owns the property and building occupied by Jas. Ogilvy's Ltd., one of the largest departmental stores in Montreal.

Particulars of the issue follow:

$1,250,000
Ogilvy Realty Corp.
5½% first (closed) mortgage S. F. bonds
Dated April 1, 1931; due April 1, 1951.

Capital	Authorized $	To be issued $
First (closed) mtges.	1,500,000	1,250,000
6% deb. notes	1,500,000	1,000,000
Com. stock, $100 par	675,000	*675,000

* All owned by Jas. A. Ogilvy's Ltd.

Company—Owns corner property in Montreal at St. Catherine and Mountain streets, consisting of about 33,683 square feet and five story steel and concrete, stone-faced, fireproof building.

Lease—Property has been leased for twenty years from April 1, 1931, to Jas. A. Ogilvy, Ltd. The annual rental, which will be an operating charge, is sufficient to pay bond interest, sinking fund, maintenance, taxes and insurance.

Security—Secured by a first mortgage on the immovable properties and fixed assets, and further secured by deposits with the trustee of the lease of such property to Jas. A. Ogilvy Ltd.

Sinking Fund—Commencing April 1, 1932, estimated to retire more than two-thirds of the bonds by maturity.

Insurance — Building and equipment insured against loss by fire for more than $1,250,000, made payable to the trustee for the bondholders.

Offered—Nesbitt, Thomson and Co., at 94 and accrued interest (plus transfer tax) to yield over 6 per cent.

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Newfoundland Power Sales Record Gain

From Our Own Correspondent

MONTREAL.—Power sales of Newfoundland Light & Power Co. to the Wabana mines of Dominion Steel & Coal Corp. have recently been increased. It is reported that preliminary service, which has been in operation since the first of the year, has been satisfactory.

Eventually the mines will be supplied with power generated at the new hydro plant of Newfoundland Light at Pierre's Brook. Construction of this unit is going forward according to schedule and initial production of 1,500 horsepower is expected to be available in July.

Dominion Steel & Coal has contracted for the ultimate capacity of 5,000 horsepower and the steam plant at Wabana may eventually be closed down when the full load of hydro power is available. Submarine cables 3½ miles in length carry the current over to the Wabana mines on Bell Island.

The rate revision effected by Newfoundland Light & Power in February is stated to have found reflection in increased consumption in St. John's. Domestic rates were cut to 5½ cents for the first 50 kw.h. as opposed to a former rate of 10 cents per kw.h. up to 30 kw.h.

Alma Mater Society Bonds Being Retired at Rapid Rate

The Alma Mater Society of the University of British Columbia has retired $11,500 of an issue of $35,000 6 per cent 15-year bonds issued in 1929 as against sinking fund requirements of slightly over $3,000, according to an announcement by Pemberton & Son, Vancouver, Ltd., which underwrote the issue.

The bonds were sold to provide funds for a students' gymnasium and are secured by an annual fee which the society collects from each full-course student in the university. With interest requirements substantially lowered through redemption of almost one-third of the amount issued, retirements of the issue are expected to be accelerated.

Dominion of Canada
1931 Conversion Loan

Our facilities are available to all investors and we shall be glad to arrange the exchange of War Loan or Victory Bonds, for bonds of the Dominion of Canada 1931 Conversion Loan, without expense to bondholders. Applications may be sent to us by letter or by collect telegram or telephone. Full details will be provided on request.

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Limited
Head Office—360 St. James Street—Montreal
320 Bay Street TORONTO 85 Sparks Street OTTAWA 65 St. Anne Street QUEBEC

DOMINION OF CANADA
1931 CONVERSION LOAN
A Two-Fold Benefit
The 1931 Conversion Loan benefits both the country and the individual investor.
It aids the country by maintaining the high standing of the national credit, and by reducing maturing obligations to manageable proportions, and the investor by enabling him to re-invest in Canada's premier security on very favorable terms.
As conversion is invited only to an amount of $250,000,000 out of a total of $1,084,000,000 to be redeemed in 1931-1934, immediate action is advisable.
Full information and official cation forms on request.
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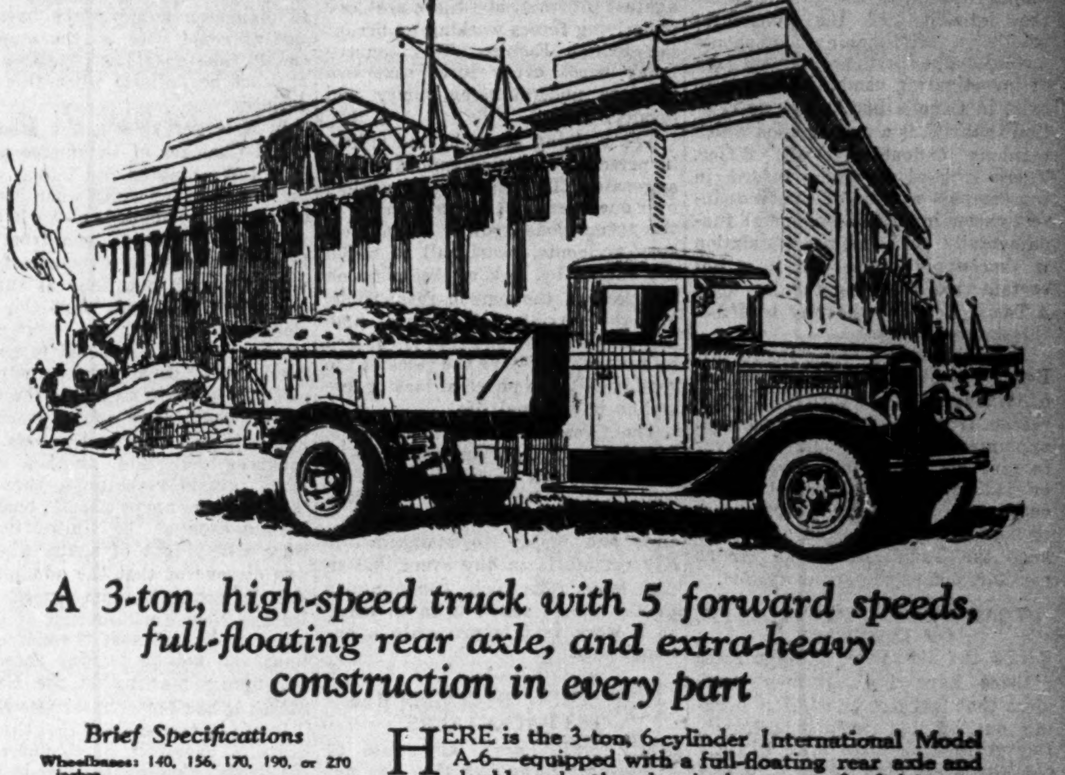

A 3-ton, high-speed truck with 5 forward speeds, full-floating rear axle, and extra-heavy construction in every part

Brief Specifications
Wheelbases: 140, 156, 170, 190, or 210.
Engine: International design and manufacture; 6-cylinder, valve-in-head, 7-bearing crankshaft, removable cylinders; 3-point mounting with rubber-cushioned rear supports; pressure lubrication.
Clutch: Single plate, with built-in vibration damper.
Transmission: 5 speeds forward, 1 reverse, direct in high; one control lever.
Final Drive: Full-floating, double-reduction, herringbone gear type.
Frame: Pressed-steel channel type, with deep middle section.
Springs: Semi-elliptic, front and rear. Auxiliary springs, quarter-elliptic.
Tires: 34x7 front, 34x7 dual rear, pneumatic, mounted on all-steel, spoke-type wheels.
Brakes: Service, 4-wheel mechanical, internal expanding. Emergency internal expanding on rear.

HERE is the 3-ton, 6-cylinder International Model A-6—equipped with a full-floating rear axle and double-reduction, herringbone-gear final drive.
Sponsored by twenty-seven years of automotive achievement, this member of the International line is the truck that will take your biggest loads anywhere, anytime, and at low cost to you.
The A-6 is a truck that asks no favors from load, road, or driver. The power of the big 6-cylinder engine is harnessed to sure-footed duals by a rugged 5-speed transmission. Four-wheel brakes make it easy to control the A-6 under any load and all operating conditions.
Wherever the A-6 has been shown, it has been hailed as an outstanding advancement in automotive engineering. Stop in anytime and look over the model we have on hand. Then you'll know why the A-6 is winning the praise of truck users in all lines of business.

INTERNATIONAL HARVESTER COMPANY
HAMILTON of Canada, Limited CANADA
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EASTERN BRANCHES—Hamilton, London, Ottawa, Toronto, Ont.; Montreal, Quebec, Que.; St. John, N.B.

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net Income 1930	Net Income 1929	Common share earnings 1930	Common share earnings 1929	Curr. divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
Canadian Canners*	Feb. 28	610,765	1,247,629	a*.42	a4.45	.50	d128,826	614,078	10	24	5.00
Can. Power & P. Invest.	Dec. 31	151,976	359,813	b.33	b.10	...	26,976	c250,632	...	...	...
Consol. Industries	Mar. 31	577,554	223,994	4.11	1.61	.80f	465,760	223,994	17¼	4¼	4.64
Cons. Invest. Corp.	Dec. 31	531,427	412,168	b.02	b.03	...	31,427	46,757	...	...	...
Consolidated Press "A"	Dec. 31	153,873	159,943	3.07	3.20	2.00	53,873	159,943	26	8½	7.69
Easy Washer	Dec. 31	d121,012	29,410	...	.41	...	d127,968	d55,952	3¾	...	...
English Electric "A"	Dec. 31	180,929	300,830	4.52	7.52	3.00	60,929	180,830	32¼	7⅛	9.30
Intnl. Proprietaries "A"	Dec. 31	963,688	1,007,123	g4.30	g4.49	2.60+.25	99,416	310,296	...	...	...
Minn. St. Paul & S.S.M. Rly.	Dec. 31	d690,953	2,042,025	...	...	...	d690,953	2,042,025	6	...	...
Muirheads Cafeterias	Feb. 28	15,575	17,330	.12	.13	(.30)	715	d31,185	2	17	(15.00)
Photo-Engravers	Feb. 28	88,660	95,696	2.95	3.19	2.00	28,660	35,696	22½ Bid	8	8.51
Robin, Jones-Whitman	Mar. 31	d44,012	78,052	...	h4.83	...	d69,452	1,732	...	...	...

*Correcting last week's analysis. a—Taking into consideration dividend provisions governing 2nd pref. and common. b—Based on cash income only, after all charges. c—Includes profits from sale of securities (loss in 1930, $5,668) d—Loss or deficit. f—Plus 20 cents extra payable June 1, 1931. g—Maximum amount applic. to class "A" shares under participating provision would be $2.94 for 1930 and $2.98 for 1929. h—After deducting full year's dividend on preferred, but not arrears thereon.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Municipal—							
Vernon, B.C.	May	Royal Financial Corp.	5%	1951	$55,000	.....	.....
County of Halifax	May 19	Dominion Securities	5%	1961	67,000	105.08	4.64%
Provincial—							
British Columbia	May 18	Fry, Mills, Spence & Co., McLeod, Young, Weir & Co., Bell, Gouinlock & Co., and Victor W. Odlum & Co.	4%	1961	4,324,000	92.51	4.455%
			4%	1936	3,000,000	98.68	4.29%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
W. A. Best Ltd.	May	K. F. MacLaren & Co.	6½%	1946	*$100,000	100.00	.....
Ogilvy Realty Corp.	Apr.	Nesbitt, Thomson & Co.	5½%	1951	1,250,000	94	6%

*For each $100 par value of bonds subscribed carries right to subscribe for one share of no par value common stock at $10 per share and for each share so purchased there is a bonus of one common share.

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TORONTO, MAY 21, 1931

NEW TARIFF BOARD WILL BE WELCOMED

THE formation of a new Tariff Board for Canada will be generally welcomed by business men. Since Mr. Bennett summarily wiped out the Tariff Board, that had been created by the former administration, and proceeded to make extensive tariff changes, that the public suspected were based largely upon submissions from manufacturers themselves, there has been some dissatisfaction in the country. Mr. Bennett states now that the evidence taken by the previous Tariff Board was of value to him in effecting the changes he made, which makes it all the more mystifying why he should have wiped out that body. But now he is to restore the Tariff Board.

In regard to the actual tariff investigation work, the Board is little different from the one he abolished. It will have more dignity and pomp, will be more formal in its work and, having some of the aspects of a court, may in time gain a completely detached viewpoint. But fundamentally, it is, so far as the tariff is concerned, the same court.

Some additions to its powers, outside of tariff investigation, have been made. One of these is particularly valuable. This is in transferring from the customs' board the investigation of protests against departmental application of certain tariff schedules. The Financial Post has in the past pointed out the lack of equity in departmental procedure that permitted officials to review and finally judge upon appeals from their own decision. Giving the new Tariff Board the powers of the Custom's Board obviates this injustice and is a valuable step forward.

There is some good reason to give the Board power to investigate combines, but combines are not entirely related to the tariff. Comment on this phase of the Board's work must await a more detailed explanation of what the prime minister has in mind. It would be proper for a Tariff Board to investigate any allegation that manufacturers were combining behind tariff walls against the interests of the consumer; whether a tariff-making body should have put upon it the additional task of investigating combines alleged to exist in Canada but having no relation to tariff, is a matter upon which opinions undoubtedly will differ. There is need for some reform in the complex routine of combines investigation in Canada—although fundamentally our combines legislation is thoroughly sound—but it is not certain that throwing the job upon a Tariff Board is the way to effect this improvement.

In establishing a Tariff Board, Mr. Bennett would do future generations of Canadians a good turn if he would refrain from making purely political appointments, and would endeavor to give his Board that businesslike or judicial complexion that would encourage succeeding governments to maintain good men in office and keep the Tariff Board, so far as possible, out of the spoils system.

STEADY EMPLOYMENT DUTY OF INDUSTRY

INTO the discussion of wage rates there have been thrown some ideas that threaten to make a working out of this problem difficult. European economists have directly challenged the high wages theory of prosperity on this continent. They blame high wages in the United States—and this would apply equally in Canada—for much of the economic trouble the world is now experiencing. High wages stimulate consumption they admit; but high wages, they say, also stimulate the creation of capital and its investment in producing machinery. Thus it tends in the end, they say, to emphasize rather than correct overproduction.

High wages in the United States are, European economists declare, the result of rapid development of new resources and new industry, they have been maintained only by tariffs and immigration restrictions and they now constitute a menace to the United States' industrial future. Europe can not go in for high wages and must, because of capital shortage and labor surplus, avoid over-mechanization and mass production. "Fordizing" Europe would mean economic collapse for countries there. One European who differs slightly from this view is Aloyse Meyer, president of the European steel cartel, who declares that high wages are justified in the United States by local conditions and by the higher efficiency of workers, but that a high wage policy is impossible for Europe.

The Americans are not prepared to cast overboard, at the instance of European economists, their beliefs and policies in regard to maintaining high wage scales as the assurance of a high standard of living. This determination is at the back of the stubbornness of United States tariff policy in the face of world-wide depression and is also at the back of such pronouncements as that of Secretary Mellon last week when he declared that business might again be brought to a balanced condition without any reduction of wages.

These are theoretical viewpoints and not the less valuable for being so. But they must be considered as referring to wages in relation to the cost of living. That real wages must be maintained in Canada and the United States is universally conceded among business men and no one wants to deflate the worker's standard of living. But high hourly rates of wages combined with short hours do not make for high incomes. The worker is going to be infinitely better off with more hours of work at a scale lower than his present scale, but a scale that is high when the reduction in the cost of living is considered.

Across the border the expectation of keen observers is that the present rates of wages will continue to be adjusted downward; that union labor will accept the situation as inevitable, particularly if employers do not attempt to take advantage of the situation to reduce wages unreasonably; and that the whole adjustment will be accomplished without serious labor disturbance. If this is inevitable one may question, then, if prominently-quoted expressions of opinion in favor of the maintenance of existing wage scales are not merely setting up resistance points that will make the adjustment more difficult all around.

Such practical industrialists as Gerard Swope, president of General Electric, are giving better leadership. Mr. Swope considers that the duty of business today is to do less talking about wages and standards of living and more studying of the problem of regularizing employment. This is a job for industry as a whole and also for individual companies to do. Planned production, the building up of employment stabilization reserves and the acceptance of a social responsibility properly to use human material are at the basis of regularizing employment.

MILITIA A BUILDER OF CHARACTER

THE reduction in the appropriations for militia expenditures is disappointing to men who have been closely in touch all their lives with the excellent work done by the Canadian militia and who realize the influence for good that lies in this Canadian institution.

The militia in Canada has been an important factor in the maintenance of national unity and loyalty for Canada and the Empire. It is also an excellent national training school in which young men are taught discipline and through their military discipline are inspired to manage themselves in their private life, and also to discipline themselves in obedience of law and respect for order.

There are many forces at work today in Canada to set class against class, race against race, province against province, and there are deep underlying forces working to disrupt the British Empire. This country today needs every force that will promote understanding, unity and loyalty.

The training given by the militia in personal discipline cannot be exaggerated. The neglect of discipline over one's personal action is shown in the tremendous growth of unnecessary accidents, nearly all of which are caused by lack of discipline on the part of the person responsible. Yet the terrible toll of life, limb and property damage that is exacted by failure to observe the rules of the road is only one phase of lack of discipline in national life.

The Canadian militia will go on, for the inadequate sums quoted by Parliament will be supplemented by contributions from public - spirited business men who will give of their time and money to maintain the city regiments in any event, but in the long run such contributions should not be relied upon to carry on a work that is primarily a national duty.

PUBLISHING BUSINESS HAS ITS RACKETEERS

THERE is hardly any class of business nowadays that has not some interlopers who view it as a racket. Even the publishing business is not exempt—never has been for that matter. The number of publications, weekly, monthly or annual, that depend upon modified forms of graft is legion.

A favorite publishing racket is to get out a high-class social magazine or register of leading business men which will very kindly use the photographs of those who are willing either to pay for advertising space or to purchase several hundred extra copies at a fat price.

It is amazing how gullible even hard-headed business men can be on occasion. There are publications that have a circulation restricted entirely to those who have paid the price for personal publicity in them. We recall one publication that was designed to advertise the resources of Canada on the occasion of a visit from the Prince of Wales One presentation copy, beautifully bound, was given to him, and the entire circulation outside of this copy was confined to those who had paid heavily for the privilege of putting their autographs on the copy sent to the Prince. Of course, these men did not know this. They thought that they were subscribing to a worthy publication which would be circulated to the extent of many thousands of copies, and provide Canada with some useful development publicity. Unfortunately, in the case of such publications the subscriber rarely has any opportunity of knowing whether or not the contract has been fulfilled. He sees his picture in print, and he gets a copy of the paper, and he does not stop to consider that that may be all that has been done by the publisher.

The publishing business is just like any other business—a job for specialists prepared to make a profit through giving uniformly good service on a continuous basis. There is plenty of profit in the publishing business for those who give it the same attention and have the same regard for their customers and the general public as is assumed by concerns such as Eaton's or Simpsons's in the merchandising field, Imperial Oil or British American Oil in the refining field, Canadian Pacific Railway in the transportation field, etc. Business men should not encourage cheap-skates operating rackets in the publishing field. They are wasting their own money, and contributing to the toll which the minor forms of fraud exact from commerce every year.

GOVERNMENT BONDS ARE ATTRACTIVE

THE City of New York recently sold $52,000,000 of bonds at a cost price to the municipality of 2.99 per cent. This is the lowest net interest cost on record since the city's incorporation in 1898. Yet the Dominion of Canada is offering to holders of its war bonds a yield for a period of at least fifteen years and possibly for twenty-five years, of 4½ per cent. While for reasons of United States taxation, etc., American city bonds are likely for many years yet to sell at lower yield bases than Dominion of Canada, the fact that New York financing is at the lowest cost in thirty-two years is highly significant. It indicates the fundamentally strong trend of the bond market. It would not be surprising, although this is not to be construed as a definite forecast to that effect, if Canadian government bonds settled down close to a 4 per cent yield basis within the next two years. On this basis those who exchange their bonds at the present time for the new issue would enjoy a substantial profit.

The offer made by the Dominion Government is exceedingly attractive and is one that investors can not well afford to pass up if they are holding the older issues now to be converted.

WHEN BUSINESS SPEAKS AND SAYS NOTHING

IS IT impossible to determine what is the majority viewpoint of business?

Last fall The Financial Post expressed the opinion that the numerous resolutions passed by the Canadian Chamber of Commerce lacked substantial value because they were a composite representation of many conflicting views and were vague in implication. They signified less the viewpoint of the main body of business men than the concessions made to minority groups.

Following the annual meeting of the United States Chamber of Commerce similar criticism of actions taken at that meeting are heard. The Annalist, of New York, argues that the U. S. Chamber would be better to divide on a two-party basis so that it could vote on the stand it should take on various matters and at least be definite when this was decided.

In a larger sphere, the International Chamber of Commerce meeting in Washington fell into a similar trough of innocuity when it came to express the opinions of world business men. Business men from different countries were hopelessly divided on such questions as tariffs, war debts, etc., and, while this was clearly recognized the conference nevertheless felt impelled to pass a resolution on each of these and other matters, well knowing that the resolution would have to be meaningless if it was to offend no one. The congress fell into another ditch when certain resolutions, that had the private approval of business leaders even of the United States, were altered out of shape when it was discovered that the administration did not want them passed. This led the New York Journal of Commerce to remark that if world questions can not be frankly faced by a congress meeting in the United States it had better meet elsewhere.

It will be remembered that the congress of chambers of commerce of the British Empire that met in England last summer failed to face frankly the question of the tariff policies of the Empire.

The chief value of such gatherings as the four referred to is in bringing together intelligent and well-informed authorities whose views frankly differ, giving them an opportunity to weigh the merits of the respective arguments offered on each side and giving the average citizen, who follows their proceedings an opportunity to know the pros and cons of important business questions through reading the speeches in the press. But when conventions, by tacit consent of the leaders present, decide that sacred cows shall not be put on display, the whole proceeding is apt to be as significant as the bowls of invisible gold fish that appear in clever merchants' windows on April First. Better no resolutions at all, than bromidic concessions to one and all.

POST-scripts

JUST three hundred years ago Europe embarked on an orgy of speculation the like of which has probably never been seen either before or since, according to a brief article in the May edition of the National Revenue Review published at Ottawa. The cause of the trouble, which finally developed into a grave financial crisis, was the beautiful and modest tulip which now adorns the gardens of most Canadian homes.

"The tulip was first brought into Europe late in the sixteenth century from Constantinople by Counsellor Herwart of Augsburg, Bavaria. These beautiful specimens quickly caught the fancy of the gardeners of Amsterdam, and from there interest to all the surrounding countries. This was about the year 1600. As the demand increased prices rose. Every person of wealth wished to have some rare tulips to display; it became a badge of good form. People of modest means aspired to a tulip bed, and finally the very poor. By 1634 what is known in history as the "tulip craze" was in full swing, and for three years it raged across Europe. The best known varieties were listed at large sums; a single bulb of the Admiral Liepkin sold for 4,400 florins, the Admiral Van der Eyck sold for 1,260 florins, a Childer for 1,615 florins, a Viceroy for 3,000 florins, while the most precious of all, the Semper Augustus easily brought 5,500 florins.

"As competition amongst collectors and traders increased speculators joined in. Soon tulip prices were listed on the stock exchange and the public rushed in. As one writer put it "nobles, citizens, farmers, mechanics, seamen, servants of both sexes, even the poorest, dabbled in tulips." Homes were mortgaged, valuable property was exchanged for a handful of bulbs. One trader in the Netherlands is known to have given half of his fortune for a single bulb, while another man paid 100,000 florins for 40 bulbs.

"Some idea of the extremes to which the obsession was carried may be gained by the following transaction:—"one bulb of the Viceroy tulip was taken by a certain merchant in 1635 in exchange for the following commodities; 2 lasts of wheat (a last is about 4,000 pounds), 4 lasts of rye, 4 fat oxen, 8 fat swine, 12 fat sheep, 2 hogsheads of wine, 4 tons of beer, 2 tons of butter, 1,000 pounds of cheese, 1 complete bed, 1 suit of clothes, 1 silver drinking cup."

"For three years this flower held undisputed sway; the prosperity of nations depended upon its continued popularity. This was especially true of Holland which entered into the cultivation of tulips on a large scale, and became very prosperous. Living conditions over a large part of Europe were changed, necessities of life increased in value, lucrative businesses were neglected, wealth was being computed in terms of bulbs. Then, as suddenly as it had started, the bulb bubble burst. The market for tulip bulbs vanished almost overnight. Thousands of people who had sacrificed their homes, their lands, their livelihoods, awoke to the realization that all they possessed was a few worthless flowers. Financial chaos resulted, and general bankruptcy appeared inevitable. Public meetings were held, and the people appealed to the government to save the situation. Little, however, could be done. Widespread destitution followed, and another chapter was closed on the age-old subject of speculation."

ARREST of certain individuals in Montreal on the charge of making counterfeit coins illustrates a point brought up in a recent dispatch from New York. The writer draws attention to the present low price of silver and the danger of counterfeiting silver coinage. In the old days, he continues, the counterfeit dollar or half dollar could be easily detected by the time honored test of ringing the coin down on the counter. With silver at its present price, however, it would be possible to turn out a pure silver copy of a coin that would not merely sound a more melodious note than a genuine coin but would even pass the acid test of being bitten. A spurious half dollar, the dispatch says, could be made at a cost of about 13 cents for the metal at present prices, or 37 cents below the face value of the coin.

FROM a Chamber of Commerce somewhere in Australia—it would not be quite the thing to be more definite—The Financial Post has received a letter. The letter was addressed to The Financial Post, Toronto, Newfoundland.

This question is: is this a compliment to Toronto or to Newfoundland?

AN executive was recently asked for his ideas on the business depression in general. He replied that as far as possible he kept his mind from such subjects since there were men whose business it was to solve those problems. He continued that his business was primarily to sell bonds. For this he was well paid and today, more than ever, he found that he should devote his thinking to furthering his own business.

Another man, an engineer, was approached with similar questions. He paused for a moment to look up from his blue prints and remarked that at the moment he was engaged in building a bridge at a cost which would allow maximum efficiency with a minimum expenditure. To this end, he said, he must devote all his efforts as many other men, under the stress of competition, were endeavoring to build better bridges than he was. Consequently he preferred to confine his worries to his particular line of business. Doubtless, he remarked, there were certain individuals whose business it was to study world economics; his business, as he had said before, was to build bridges.

Though it is distressing that two responsible men should take so little interest in the business depression it is quite possible that the bond salesman will sell so many bonds and the engineer will build such excellent bridges that they will both become quite prosperous.

New Books

"The Fall of Prices"

A study of the movement of prices that attempts frankly to analyze the influence of gold and money supply on business is contained in a small book just published by John A. Todd, principal of the City School of Commerce of Liverpool, and a well-known writer on economic subjects. Mr. Todd is an agnostic on some current theories regarding prices. Nevertheless he recognizes the weight of authority behind the theory that the general level of prices is at the mercy of a casual fact of nature, namely, the world's annual gold production. He is inclined to feel that the whole supply of money is of more importance than the supply of gold itself, and he includes as money not only currency but credit. From this point he proceeds to analyze the supplies of currency and credit instruments in various countries, but chiefly in the United Kingdom, and to trace their influence upon the level of prices.

Possible cures for the serious world-wide decline in prices, that has upset international economy, are discussed, including economies in the use of gold, the use of silver, cheaper cheques, and the promotion of international gold and credit movements.

Mr. Todd sees no justification whatever for abandoning the gold standard.

While written chiefly from the standpoint of Great Britain, the volume is very illuminating in its study of price movements.

"The Fall of Prices" is published by Oxford University Press, 126 University Avenue, Toronto at 75 cents.

Calvin Coolidge Says:

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A GREAT many people will regret the announcement that another leading university no longer will require Latin and Greek for the degree of Bachelor of Arts. Such a change breaks with a very long tradition in education. While it does not mean that the study of the classics is to be abandoned no doubt the numbers pursuing these courses will decrease.

Because Greek and Latin had long ago become stabilized they afforded a common bond of understanding among scholars. Proficiency in these studies required real mental discipline. Being the foundation of much of our own language and much of our thought, as well as many of our political and social institutions, a familiarity with the language and history of Greece and Rome has been considered a necessary preparation for exact scholarship. It is difficult to imagine genuine science even without these supports.

Modern languages and the sciences provide a medium for a different kind of mental discipline. They have the appeal of being immediately practical. But broad scholarship, when it seeks for the source of things, for the idea of liberty and law, for many of the spiritual impulses of life, must still turn to the classics.

* * *

ALL through the ages people have been seeking some material security outside themselves. It has not yet been found. There is a possibility that the quest is a delusion.

Great nations have arisen and sought safety in mighty armaments, great men have sought safety in riches. Alliances among nations and combinations among men have striven for the same goal. Always some other nation, men, alliance or combination has arisen that was stronger. No temporal power, no riches can boast of much antiquity. Neither men nor nations have found permanent security in material power.

The nations of Europe are now attempting to apply this same system in their search for security. The same thought is working down among individuals the world over. They all want some assurance that no matter what happens some power outside themselves is to protect them from all evil consequences. A league is to be a guaranty for nations and some obligation of society is to furnish support for individuals. While much could be done the plans proposed appear very doubtful. In the end the security of nations and men must be sought within themselves by observing the command to do justice, love mercy and walk humbly.

* * *

A WORLD conference on silver would do no harm and might do some good. Like so many other commodities silver has been cheapened by the increased use of machinery and invention in its production. This process has been going on for centuries. Obviously a metal that fluctuates so much in values is not well adapted to be used for a unit of value of money. But as a token of exchange it is exceedingly convenient. That use might possibly be increased. Some method of control similar to the proposed system for sugar may well be considered.

But all such plans are but temporary makeshifts. When too much human effort goes into producing one commodity we get what we call oversupply. We do not need to study that supply for it is already ample. What we really need to study is how to produce more of other commodities by those who are now idle. The basic problem of the world is to draw off those people who have been engaged in overproduction into some form of new industries whose output can be exchanged for the present oversupply. A conference on that subject would be of fundamental importance.

* * *

AS the returns are published from many concerns employing a large number of wage earners it becomes apparent that the policy announced by leading managers of industry that they would take care of their employees in preference to their stockholders is being observed. When the operations for three months show no profit it is apparent that the receipts have gone to pay the two great items of labor and taxes. The remarkable feature of this result is that there have been so few decreases in the rate of wages in extensive industries.

We have had unemployment on a total and partial scale but this is the first acute depression of such duration where there has not been a radical reduction of wages. To a greater extent than ever before people have been taken care of and the property of the country has borne the expense and loss. We are not yet organized so that this system works to perfection. That will take time. But the principle has been recognized and become more effective than in any past experience that the wage earners hold a preferred position in time of depression. Those who have made this possible are entitled to a great deal of credit.

* * *

SOME friends of France and well wishers for peace, stability and prosperity in Europe will be disappointed that Briand was defeated in his effort to be president. That sentiment does not involve any criticism of the man who was elected but is based on the feeling that Briand was a great influence for better international understanding and good will. His defeat seems to be a repudiation by the French government of his foreign policies and suspicious nationalism which they have regretted in others.

Before becoming altogether pessimistic it is well to await developments. Sometimes fate takes charge of a situation in unexpected ways. The election of Hindenburg brought a similar reaction. It is now apparent that his force of character and loyalty have supported the Republic in a way impossible by a pronounced liberal. The world prestige of Briand has not suffered but increased. When he has asked his government for a vote of confidence in his policies he has had it. He will be supported by these influences at Geneva. France, moreover, has a marvellous way of recovering herself.

CALVIN COOLIDGE.

As Others See Us

The Greatest Public Service

The Blue Bell (staff magazine of Bell Telephone Co. of Can.): Said The Financial Post in a recent editorial, "The greatest public service that any business can perform is to be a success—to earn profits."

The aim of our company, as has been set out again and again, is to produce earnings that will assure the best possible telephone service at all times and make certain the continued financial integrity of the business—these things and nothing more. Speculative profits or earnings beyond those required for the purposes above are simply not in the picture.

Of course it is obvious that the best possible service is quite out of the question apart from the continuous and wholehearted co-operation of every Bell worker. It simply can't be done.

"The best possible telephone service at the lowest cost consistent with financial safety" sums the matter up concisely.

Other People's Views

National Bank Opposed

Ottawa Citizen.—Last Wednesday's debate on George Coote's motion for a national Canadian bank brought out plenty of criticism. Conservative opponents argued that it would be of no benefit to Canada to establish a national bank.

A central bank in Canada, like the Commonwealth Bank in Australia, or the Federal Reserve plan in the United States, would be only one step in the direction of national banking. But it would be opposed as stubbornly as though it meant going the whole way. There would be sound reason for opposing it, too, because it would do little or nothing to make Canada's abundance more available to the Canadian people as consumers.

"Nationalization" of banking would merely mean changing the ownership. The bank directors would perhaps be changed, but there would be no change of banking policy to increase purchasing power. There has been no such improvement in Australia nor in the United States. The effort is hardly worth making.

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Business Conditions in Canada

The Week in Business

Are Prices Strengthening?
The U. S. Viewpoint
Retail Prices Lower
Carloadings and the Budget

WHOLESALE prices in Canada as measured by the Dominion Bureau of Statistics index, continued their downward trend in April and are now almost 24.5 per cent below the peak of 98.5, reached nineteen months ago in September, 1929. The most interesting feature of the current figures, however, is not that a further small decline of .6 points was recorded from the March, 1931 figures, but that in many of the primary groups, small gains were recorded which may point the way to a general improvement in the price structure. For instance vegetable products rose 1.3 points; the index of Canadian farm products moved higher, as did raw and partly manufactured goods, and also the index for producers' goods. Declines were for the most part confined to fully and chiefly manufactured goods and consumers' goods.

* * *

SUCH indications, however, must be taken with a grain of salt if one is to place reliance on one of the best-established of the U. S. A. price indices, namely that of the New York Annalist which has declined steadily for nine consecutive weeks, thus constituting "one of the disturbing elements in the business situation, since there is no present indication as to how much further the current decline may extend." On the other hand the daily record of commodity prices maintained by the New York Times, shows that with the exception of corn, meats and metals, the 1931 low marks of wholesale cash prices for commodities in the New York market have been left behind, current quotations being higher than the year's low, in practically all cases.

* * *

RETAIL prices in Canada are responding more readily to the continued decline in basic commodities, the Dominion Bureau index for April being lower by .7 points to 91.8 which brings it 13.7 per cent below the high mark of 106.5 reached in January, 1929. The position of this index in a month's time will be even more important in that it will then reflect whatever change has taken place in rentals during the past six months. Rental indices are only computed in May and October and the October figure of 105.5 which has been used for the past six months is only 1 point below the summer, 1930, mark which is the high for the past decade.

* * *

CARLOADINGS for the week ended May 9, would seem to forecast already the anticipated decline in business activity during the summer months. This is in part due to a slackening in fundamental industries such as iron and steel and probably in part also to an easing up of production prior to the budget with its anticipated higher sales tax. The May 9 figure shows a decline of 6.3 per cent from the 1931 peak reached the preceding week and is approximately 18.5 per cent below the corresponding figure of 1930. Suspense regarding the budget will be over at any rate next week, Tuesday or Thursday, May 26 or 28, being now reported as possible dates of arrival. Latest Ottawa advices indicate that budget changes will be considerably more numerous than previously anticipated, and will probably cover some 300 or 350 items.

BUILDING COSTS MUST GO LOWER TO BRING ACTION

Reduction to Date is Less Than That of General Prices

That construction costs have declined only about 14 per cent since September, 1929, while general prices have declined over 20 per cent and that there is room for a still further drop in construction costs before definite recovery in the industry sets in, is pointed out in the current monthly review of the Bank of Nova Scotia, which discusses the outlook for the construction industry. The industry in Canada has not suffered to the same extent as it has in the United States, and in the Western provinces the period of expansion was longer and volume has been comparatively well sustained.

Construction in Canada during the past three years has resulted in an expenditure of $1,500,000,000, an average of $10,000,000 a week, and to this extent Canadian industry is bound up with the programme of new construction. While volume of employment in all Canadian industries has declined from the peak by about 12 per cent, the recession in the construction industries amounts to about 24 per cent, and, in view of these facts, the outlook for the construction industries is of widespread interest.

The peak of construction in Canada was apparently reached late in 1929 but it is held that even this peak was well under the activity in 1913. Re-valuated on the basis of 1930 construction costs, it is stated that construction contracts per 100,000 of population in 1913 amounted to $8,243,140 as compared with $5,563,330 in 1929 and $4,600,000 in 1930. It is pointed out that while there may have been some over-expansion in 1929 it was not nearly on the scale of that in 1913.

Drop is Less in Canada

Construction in Canada has not shown the contraction noted in the United States. From January, 1925, to September, 1928, there was an increase of some 16 per cent in the value of the programme of new construction in the United States, while in Canada, during the same period, there was an increase of 63 per cent. From September, 1928, to the present there has been an almost continual shrinkage of new construction in the United States amounting to some 35 per cent, while the new construction programme in Canada continued to expand for 14 months or so after the peak had been reached in the United States. The Canadian decline in the past year has been considerably smaller than that in the United States during the past two and a half years.

In Western Canada, from January, 1925, to September, 1928, the new construction programme expanded three-fold and from September, 1928, to the fall of 1929, there was further expansion of some 55 to 60 per cent. The total expansion in the West between 1925 and 1929 was therefore about 400 per cent. For the next 12 months there was a shrinkage of about 34 per cent, but during the last six months there has been an increase in the programme of new construction.

Costs Must Decline Further

"The demand for the services of the construction industries is unlikely to recover decisively, it is believed, till the cost of new construction has fallen, if not commensurately with the fall in general prices, at least in some corresponding degree. Wholesale prices of commodities, the world over, have declined, during the current movement, by not less than 28 per cent; in Canada they have declined by 24 per cent. If goods are to sell at the low figures indicated by these percentages, the new buildings, in which these goods are to be fabricated, stored and merchandised, obviously must not be expected to carry the charges which, even two years ago, seemed entirely reasonable.

"How much has the cost of new construction fallen during the present depression? An answer to this question must be compounded of several elements: prices of building and construction materials, rates of wages for labor in the construction industries, and the rate of interest at which the carrying charges for a new building must be computed."

Cost of new construction appears to have fallen only by nine per cent since September, 1929, although individual cases exhibit a wide range of variation. The cost of new financing in the case of public bodies of high standing has dropped about 10 per cent and of corporations of high standing by about 8.35 per cent in the same period. On this basis it is calculated that new construction by provincial bodies can be done about 14 per cent cheaper than in September, 1929, and in the case of large corporations about 13 per cent cheaper.

When the above figures are compared with the known fall of more than 20 per cent in commodity prices, it is evident that the stimulus of lower costs and "cheaper money" is as yet inadequate to revive demand for new construction. A further fall of five per cent in actual cost of construction together with a drop of one-quarter of one per cent in long-term interest rates, would bring the annual carrying charges on new construction to a point at least 20 per cent below those prevailing in 1929.

Business Situation Shows Little Change

	Canada	United States
Commodity Prices:	Wholesale price index down to 74.5 in April from 75.1 in March.	Annalist's index at 103.9 registers ninth consecutive weekly loss.
Iron and Steel:	Orders booked fail to indicate increased demand in near future.	Steel production seems stabilized for time being at about 47 per cent of capacity.
Foreign Trade:	Exports in April down 33 per cent from April, 1930; imports down 29.7 per cent.	Foreign situation holds no indication of increase in trade relations.
Car Loadings:	Volume off 6.3 per cent from previous week; cumulative total, 16.6 per cent below 1930.	Cumulative figures for 1931 are 18.7 per cent below volume in same period of 1930.
Employment:	Industrial activity is now well under the spring peak.	Possible improvement in next few months indicated by manufacturers' survey.
Stock Market:	Leaders suffer price recessions and hit new lows for 1931.	With no business pick-up in immediate prospect prices lack support.
Credit:	Success of Federal conversion loan may stimulate confidence.	Federal Reserve Bank, N. Y., reduces bill rates for fourth time in three weeks.
Week's Highlight:	April statistics show gains, but prospects of business advance are poor.	Further declines in commodities proves disturbing element to business.

Business Statistics Up But Outlook Still Dull

Iron and Steel Prospects Lend Little Encouragement For Prospects of Continued Business Advance

By SYDNEY B. SMITH

Business operations were in greater volume in April than in the preceding month, as measured by The Financial Post preliminary business index. The result of the compilation comprising eighteen factors with seasonal adjustment was an index of 129.5 in April compared with 128.6 in March.

This index reached its lowest point on the present depression in January, when the standing was 127.0. Since that month three moderate gains have been recorded, the improvement since the beginning of the year having been steady but gradual. The cumulative results of the three increases was limited to 2.5 points.

Outlook Not Promising

Providing the stock market were accepted as a barometer of future business conditions, one would forecast that the encouraging showing of the last three months would be reversed during the remainder of the year. While the recent drastic deflation of industrial stock prices is a reactionary factor of importance especially from its psychological implications, it is evident from past experience that the barometric value of the stock market may be easily over estimated.

An analysis of the April trend by industries discloses marked changes. The primary iron and steel industry had been gathering momentum during the first quarter, while the recession in April was greater than normal for the season. Owing to the strategic position of the iron and steel industry, the reaction in April does not lend encouragement as to the prospects of continued advance in general business. The production of both iron and steel was at a substantial reduction from the levels of March.

Building Disappointing

The construction industry was another department which failed to meet expectations in April. The new business obtained as indicated by contracts awarded was only $22,700,000 compared with $27,300,000 in the preceding month, while April awards are normally more than twice as great as in March. Building permits issued in 61 cities were also much below normal in April, the decline from March after seasonal adjustment being more than 25 p.c.

The paper and lumber industries were more active in April measured by the production of newsprint and the shipments of semi-manufactured lumber to external markets. The output of newsprint was 205,800 tons compared with 187,000 tons in the preceding month. Normal production in April would be slightly less than in March, the gain in the month under review after seasonal adjustment being about 12 p.c. The gain in the exports of lumber after allowance for the tendencies of the season was 16.5 p.c. Providing activity in the forestry industries continues to expand, a partial solution will be afforded for unemployment in the winter season.

Flour and Sugar Gain

The flour and sugar industries have recently shown some gain in output after seasonal adjustment. Merchandise exports showed a slight increase and carloadings at 214,425 cars made, after seasonal adjustment, a gain of 17.6 p.c. over March.

In the mining industry results were uneven, gold and nickel giving a good account of themselves while silver, copper, and zinc were shipped in reduced volume. The output of coal was practically maintained after seasonal adjustment. The net result was that the index for the mining industry was 146.1 in April compared with 147.4 in March.

English Firm Builds in Canada

Canadian tariff adjustments in the past year have led to construction of a $750,000 yarn mill near Toronto by Patons & Baldwin Ltd. Large English manufacturers of woollens. The unit which has been started will be completed in some six months and other new buildings may bring total expenditure to $1,500,000.

Western Wheat Dollar Return is Down 45 p. c.

Wheat delivered at country stations in the Prairie provinces during the nine months ended April 30, totalled 285,172,000 bushels compared with 223,766,000 bushels in the corresponding period of the previous crop year while the new money value to farmers was $146,441,645 as compared with $267,524,947, according to figures compiled by W. Sanford Evans Statistical Service. This represents an increase in volume of 27.4 per cent while value has decreased by 45.3 per cent. On this basis the average value of a bushel of wheat to the western farmers has been 51.35 cents as against $1,195 in the first nine months of 1929-1930 crop year.

The return to the farmers in Saskatchewan is placed at $65,817,121 or 47.2 per cent down from the corresponding of the previous year. In Alberta the return was $56,775,050 representing a decrease of 46.3 per cent and in Manitoba the return of $23,869,474 shows a decline of 35.5 per cent.

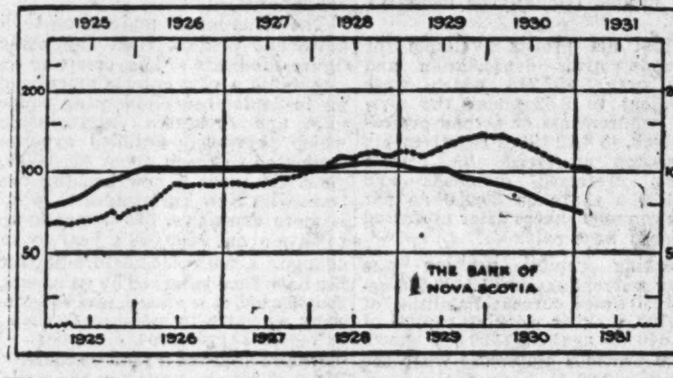
While volume of wheat delivered at country stations is substantially ahead of the amount delivered in the first three quarters of the crop year 1929-1930 it is some 37 per cent less than in the same period of 1928-1929 and is the lowest since 1924,1925 with the exception of last year.

Pig Iron and Steel Output Increased During March

Pig iron produced in Canada during March totalled 57,110 tons which represents a gain of 11 per cent over February output. The increase was chiefly in the basic grade made for the further use of the producers and tonnage of this product increased to 50,165 tons from 43,000 tons in February. Foundry iron also advanced but malleable iron output was somewhat lower. Total production of pig iron in the first quarter was 139,097 tons, 40 per cent under the output of the first quarter of 1930 and 14 per cent under that of 1929.

Production of steel ingots and direct steel castings totalled 99,341 tons in March, the third successive monthly increase. Daily output of 3,205 tons was 9 per cent higher than in February. In the first quarter of 1931, steel production totalled 239,576 tons against 339,299 tons in 1930.

Index of Construction Higher in Canada



With the base 100 taken as the average monthly figure during 1925-1929, the index of construction contracts awarded in Canada, shown by the dotted line, shows building activity maintained at higher point than does the index for the United States, shown by the solid line.

Unemployment Relief Works Attain Total of $70,746,422

Federal unemployment relief has afforded employment to 272,690 persons up to April 30 for a total of 5,651,576 man-days of work. The figures include only persons actually engaged on public works and do not include production of materials necessary for such undertakings. The total amount of money spent on works in which the provinces, railways and municipalities contributed jointly with the Dominion Government is $70,746,422.

Quebec leads among the provinces in the number of persons given employment while more man-days of work was provided in Ontario. Work was provided for 72,847 persons in Quebec as against 43,200 persons in Ontario while in Quebec 846,148 man-days work was given against 2,234,000 man-days in Ontario.

Business Briefs

Car Loadings, after registering a new high for 1931 in previous week, dropped 6.3 p.c. in the week ended May 9. Livestock and miscellaneous forest products were the only classes to show gains but with the exception of grain, ore and merchandise in less than carload lots, the various classes of freight compared favorably in volume with the week ended April 25, 1931. Loadings in the last week of record were 18.5 p.c. below the corresponding week of 1930 while the total for the year to date is 16.6 p.c. under loadings of the corresponding period of 1930.

Montreal Taxable Land Increases

An increase of $13,000,000 in taxable land and property municipal valuation of various municipalities under the jurisdiction of the Metropolitan Commission during the present year over 1930, is shown in the official reports of the secretary-treasurer of each municipality. With a taxable valuation of $213,107,300 last year, the total is now at $226,103,678. The major increases took place in Westmount, Verdun, Outremont, Lachine and Montreal East.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1. to date 1931	Cumulative Jan. 1. to date 1930
C. P. R. Gross Earn. (May 14)	$ 2,819,000	$ 3,372,000	$ 51,784,000	$ 61,014,000
C. N. R. Gross Earn. (May 7)	$ 3,818,663	$ 4,252,358	$ 62,253,432	$ 75,744,115
Car Loadings (May 9)	49,745	61,026	904,772	1,084,636
Common Stock Index (May 14)	86.1	159.3	......	......
Production—	Monthly			
Pig Iron, tons (March)	57,110	74,582	139,097	232,261
Steel, tons (March)	99,341	117,487	239,576	339,299
Newsprint, tons (April)	205,838	228,048	740,118	832,851
Automobiles (March)	12,998	20,730	29,353	46,666
Boots and Shoes, pr. (Mar.)	1,729,930	1,594,865	3,991,819	4,274,796
Flour, bbls. (March)	1,168,408	1,219,202	3,290,063	3,438,320
Mineral Production—				
Gold, oz. (February)	195,118	145,436	397,908	299,550
Silver, oz. (February)	2,111,766	1,841,836	4,229,435	3,551,058
Nickel, tons (February)	3,346	3,867	6,597	8,481
Copper, tons (February)	11,485	12,113	22,415	24,581
Lead, tons (February)	9,663	15,930	23,958	27,545
Zinc, tons (February)	10,276	10,343	20,433	19,220
Coal, tons (February)	963,443	1,194,710	2,127,941	2,838,332
Natural gas, M. cu. ft.	2,976,140	3,178,862	6,176,140	7,067,379
Petroleum, bbls. (February)	155,651	89,961	335,362	190,457
Automobile Financing—				
Used Cars (February)	$ 1,405,507	$ 1,629,460	$ 2,692,911	$ 3,368,984
New Cars (February)	$ 874,840	$ 1,514,310	$ 1,784,354	$ 2,623,781
Construction—				
Building Permits (March)	$ 9,906,567	$ 13,356,787	$ 23,346,899	$ 29,493,262
Contracts (April)	$ 22,707,500	$ 48,778,600	$ 96,248,500	$ 139,035,900
Labor—				
Employment Index (April)	99.7	107.8	......	......
Trade—				
Imports (April)	$ 51,189,376	$ 71,401,839	$ 227,932,642	$ 350,011,903
Exports (April)	$ 33,935,075	$ 50,744,139	$ 177,473,837	$ 280,536,600
Imports of Key Products—				
Rubber, lbs. (March)	6,747,761	8,457,139	14,892,291	19,861,134
Cotton, lbs. (March)	10,837,000	10,327,000	26,378,000	28,626,000
Sugar, lbs. (March)	54,691,800	34,850,300	121,378,100	103,852,200
Petroleum, crude, gal. (March)	71,300,000	65,920,000	191,974,995	217,147,438
Coal, tons (March)	815,429	1,064,780	2,438,864	3,308,654
Exports of Key Products—				
Newsprint, tons (March)	200,545	225,251	498,143	588,228
Automobiles, No. (March)	1,853	6,308	6,544	13,585
Wheat, bus. (April)	4,680,769	3,428,406	37,581,991	26,747,762
Wheat flour, bbls. (April)	326,117	451,395	1,693,699	2,115,567
Electric Power—Output—				
M. Kilowatt hours (March)	1,413,875	1,515,465	4,234,189	4,468,371
Population—				
Emigration (March)	606	4,115	2,151	11,353
Immigration (February)	2,413	14,576	5,322	21,905
Finance—				
Failures, No. (March)	178	201	606	667
Failures, Liabilities (March)	$ 3,184,198	$ 4,310,085	$ 11,944,578	$ 17,091,691
Bank Debits (March)	$2,579,410,694	$3,092,042,070	$7,773,648,825	$9,118,488,109
Bond Sales (April)	$ 56,927,742	$ 34,722,638	$ 249,351,323	$ 191,680,612
Insurance sales (March)	$ 46,945,000	$ 50,327,000	$ 128,313,000	$ 142,614,000
Wholesale Prices (1913=100)—				
General Index (March)	75.1	91.8	......	......
Iron and its products	87.8	92.5	......	......
Cottons, raw	62.3	87.1	......	......
Grains	39.7	75.1	......	......
Live stock	81.1	127.6	......	......

FOREIGN TRADE DROPPED 31.5 P.C. FROM LAST YEAR

April Figures Show Exports Down 33 p.c. and Imports Off 29.7 p.c.

Canadian foreign trade during April, the first month of the current fiscal year, dropped 31.5 per cent or $39,037,699 from the volume of April, 1930. Exports of Canadian produce dropped to $33,935,075 from $50,744,139, or 33 per cent, while total imports entered for consumption dropped to $50,198,198 from $71,401,839, or 29.7 per cent. Total trade for the month had a value of $84,872,309 as compared with $123,910,008 in 1930. This is the lowest point in nine years.

Unmanufactured nickel, fish and cheese were the only items to show an increase in value among the principal items of export and each of these items also showed an increase in volume. Aside from wheat, which was exported in greater volume, all of the important items showed a decrease in volume shipped as well as in value. The chief decline in value was shown by unmanufactured copper.

The value placed on the principal items of export in April, 1931, as compared with the same month of 1930, are as follows:

	Apr. 1930 $	Apr. 1931 $
Wheat	3,803,933	2,942,411
Wheat flour	2,270,551	1,202,971
Fish	1,306,614	1,740,389
Furs	1,508,660	1,053,866
Meats	721,285	249,470
Cheese	56,863	86,958
Planks, boards	2,468,491	1,426,388
Wood pulp	2,631,122	2,168,682
Newsprint	9,199,882	8,329,722
Autos, parts	1,462,704	580,568
Copper, unmfd.	2,502,538	163,852
Nickel, unmfd.	1,397,961	1,511,750

Revenues Show Drop

A drop of $2,343,626 is shown in revenue collected by the Department of National Revenue for the month of April. The decline is about equally divided between customs duties which fell from $11,163,123 in April 1930, to $9,945,755 (or by $1,217,368) last month, and excise taxes. The latter dropped by $1,143,935, from $2,136,897 a year ago to $992,962 last month.

There was a slight increase of $38,640 in excise duties. Sundry collections totalled $65,365 last month, a drop from $86,327 a year ago.

Total revenue from all sources collected by the department amounted to $14,715,941 for the month, as compared with $17,059,567 for April of last year.

Income tax receipts for April, 1931, were down $433,465 from those of April a year ago, when collections totalled $7,669,303.

Will Not Amend Grain Act

Amendments to the Canada Grain Act during the current session of the House of Commons are not contemplated according to Hon. H. H. Stevens. Amended and consolidated in its entirety last year, the act has not been in force long enough to bring out any major defects. Administration of the act last year resulted in a deficit of $568,000 stated to be largely due to falling off in the grain movement resulting in lower inspection fees and a decrease in revenues from other sources.

Canned Lobster Output in P. E. I.

Production of canned lobsters in Prince Edward Island last year amounted to 31,935 cases. The pack had a market value of $635,961.

Investment Opportunities

Attractive yields are currently offered by investments carrying fixed interest and dividend rates. By placing funds in selected Bonds and Preferred Shares at present prices, satisfactory income returns can be assured for extended periods. The exchange of short-term securities for those of longer maturity merits consideration.

We shall be pleased to submit our recommendations.

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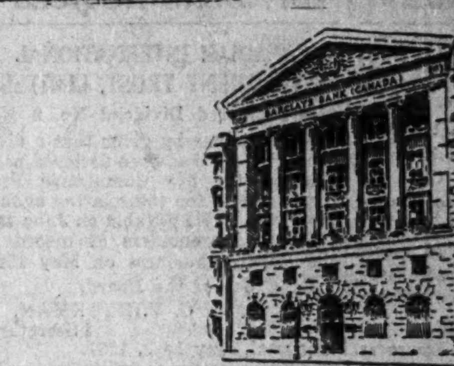

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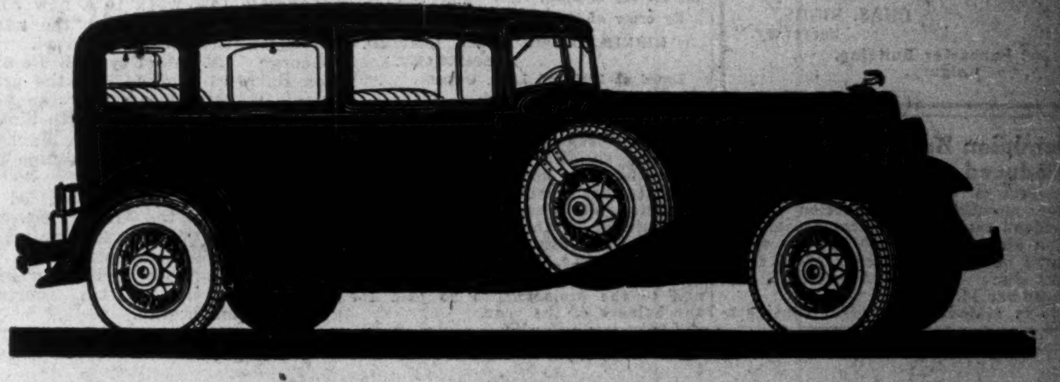

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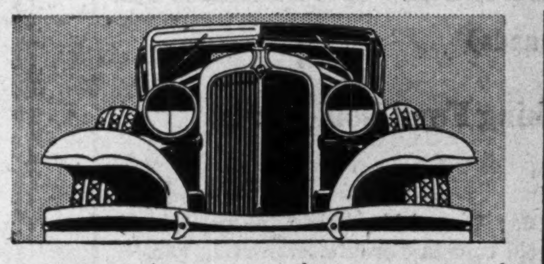

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BUY CANADIAN-BUILT CARS AND SUPPORT CANADIAN LABOR
CHRYSLER CORPORATION OF CANADA, LIMITED
WINDSOR, ONTARIO

DIVIDEND NOTICES

DAVID & FRERE, LIMITED

Dividend Class "A" No. 12

Notice is hereby given that a Dividend of 57c. per share has been declared on the No Par Value Class "A" Stock of the Company for the Quarter ending the 31st May, 1931, payable 15th June, 1931, to Shareholders of record at the close of business on 30th May, 1931.

L. R. PHILIE,
Secretary-Treasurer.

The Canadian Bank of Commerce

Dividend No. 177

NOTICE is hereby given that a Dividend Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 30th May, 1931, and that the same will be payable at the Bank and its Branches on and after Monday, 1st June next, to shareholders of record at the close of business on the 30th day of April, 1931. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 17th April, 1931.

MONTREAL COTTONS LIMITED

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS per cent (1¾%) being at the rate of seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, also a Dividend of One and One Half per cent (1½%), being at the rate of six per cent (6%) per annum, has been declared on the common stock, and payable to all shareholders of record May 30, 1931, and that cheques will be mailed to them on the 15th day of June, 1931.

BY ORDER OF THE BOARD.

HUGH A. WILSON,
Secretary-Treasurer.

P.T. LEGARÉ CO. LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending May 31st, 1931, payable on the 1st day of June, 1931, to shareholders of record at the close of business the 15th day of May, 1931.

By order of the Board.

P. C. FALARDEAU,
Secretary-Treasurer.

Quebec, May 5th, 1931.

MERCURY OILS Limited

NOTICE To Shareholders

Notice is hereby given that a dividend of five cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on July 2nd, A.D. 1931, to shareholders of record at the close of business on Monday, June 15th, A.D. 1931.

The transfer books of the Company will be closed at 5 p.m. on Monday, June 15th, A.D. 1931, and will be reopened on Thursday, July 2nd, A.D. 1931.

BY ORDER OF THE BOARD OF DIRECTORS.

CHAS. BIGGS,
Secretary.

300 Lancaster Building,
Calgary.

Dominion Bridge Dividend Reduced to $3 Annual Basis

Directors of Dominion Bridge Co. have announced a reduction in the dividend rate on the common shares to $3 a share from $3.60 and have declared quarterly dividends of 75 cents per share payable August 15 and November 14.

It is stated that careful consideration has been given to the present business situation and prospects for future business and that the directors estimate that earnings will provide for a dividend of 75 cents per quarter for the balance of the fiscal year which ends October 31. The directors have deemed it advisable that all shareholders shall be advised as to conditions and to the dividends to be paid for the balance of the year.

DIVIDEND NOTICES

CANADIAN INTERNATIONAL INVESTMENT TRUST, LIMITED

Preferred Dividend No. 9

Notice is hereby given that a dividend of 1¼% has been declared payable on the 5% Cumulative Preferred Stock for the quarter ending May 31st, 1931, payable on June 1st, 1931, to shareholders of record at the close of business on May 15th.

By Order of the Board,

G. V. RYCKMAN,
Secretary.

Montreal, May 14th, 1931.

The Bank of Toronto

Dividend No. 199

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May Fifteenth, 1931.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Toronto, April 8th, 1931.

Canada Cement Company, Limited

Preferred Shareholders
Dividend No. 14

Notice is hereby given that a dividend of 1⅝% for the three months ending May 30th, 1931, being at the rate of 6½% per annum on the paid-up Preferred Stock of this Company has been declared, and that the same will be paid on the 30th day of June next to Preferred Shareholders of record at the close of business May 30th, 1931.

H. L. DOBLE,
Secretary.

NEW METHOD LAUNDRY CO. LIMITED

Dividend Notice

Notice is hereby given that the quarterly dividend at the rate of 6½% per annum, on the preferred shares of the Company for the period ending May 31st, 1931, has been declared payable on Monday, June 1st, 1931, to shareholders on record at the close of business on Saturday, May 23rd, 1931.

By Order of the Board,

JOHN P. SHEEDY,
Secretary.

Canadian Car & Foundry Company, Limited

Dividend Notice—Preference Stock

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid-up Preference Stock of the Company for the quarter ending June 30th, 1931, has been declared, payable on the 10th day of July, 1931, to Shareholders of record on the 25th day of June, 1931.

By order of the Board.

A. C. BOURNE,
Secretary.

Montreal, May 18th, 1931.

LAKE SHORE MINES, Limited

(No Personal Liability)

DIVIDEND No. 45 — BONUS No. 12

NOTICE is hereby given that a quarterly dividend of thirty per cent on the issued capital stock of the Company will be paid on the 15th day of June, 1931, together with a bonus of thirty per cent, to shareholders of record at the close of business on the 1st day of June, 1931.

By order of the Board.

KIRKLAND SECURITIES, LIMITED,
SECRETARY.

Dated at Kirkland Lake, Ontario,
May 16th, 1931.

ENG. ELECTRIC CLASS A EARNED $4.52 PER SHARE

Liquid Position is Substantially Improved—Call Loans Doubled

Net earnings of $220,999 are reported for English Electric Co. in the year ended December 31, 1930, as compared with $340,830 in the previous year. Depreciation allowance of $40,000 remains the same as in 1929 and 1928 leaving a net profit of $180,929, or $4.52 per class A share, of which there are 40,000 shares of no par value outstanding. In 1929, class A shares earned $7.52. After payment of class A dividends of $3 per share there was $1.52 per share available for the 40,000 class B shares as compared with $4.52 per share in 1929. Share earnings, as shown, do not include the participating provision.

Improvement is shown in the liquid position of the company with current assets up to $1,193,559 from $1,134,895, while current liabilities have been reduced to $128,591 from $146,138. This gives a working capital of $1,064,968 as compared with $988,757 in 1929. While accounts receivable have been reduced to $210,124 from $430,866, call loans secured have been increased to $600,000 from $300,000, and cash to $134,041 from $126,852. Inventories are down to $220,509 from $277,176. Fixed assets are stated at $2,166,402, as compared with $2,141,694 in 1929, the net additions to plant having been $24,708 as against $54,263 in the previous year.

Add New Lines

Accounts payable have been reduced to $98,591 from $116,138 and the only other current liability is dividend on class A stock of $30,000, as in 1929. Reserve for depreciation has been increased to $610,393 from $571,308. Capital consists of 40,000 class A and 40,000 class B shares of no par value and capital and surplus is carried at $2,570,096 plus surplus for the year of $60,929, a total of $2,631,026.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $	1928 $
Net earn.	220,929	*340,830	†243,104
Less: Deprec.	40,000	40,000	40,000
Net profit	180,929	300,830	203,104
Less appropriations:			
Class "A" div.	120,000	120,000	60,000
Surplus for yr.	60,929	180,830	‡143,104
Add: Prev. surp	420,096	254,505	469,754
Less: W/o pat. rts. & good.	......	......	350,000
Inc. tax for prev. yr.	......	15,239	8,353
Earned surplus	481,025	420,096	254,505

*After providing for income tax.
†Before providing for income tax.
‡Subject to income tax.

WORKING CAPITAL

	1930 $	1929 $	1928 $
Current assets	1,193,569	1,134,895	972,398
Current liabs.	125,591	146,139	125,174
Working capital	1,064,968	988,756	847,224
Ratio	9.28—1	7.77—1	7.77—1

Clean-it-erias Has Been Sold

The business of Clean-it-erias Limited which went into bankruptcy in July last and which has been carried on by the Trustee, F. M. Moffat, of Moffat, Hudson & Company, has been sold this week to a new company incorporated under the name of Clean-it-erias Co., Limited.

George A. MacKey, of Dominion Bakeries Limited, has the principal financial interest in the new company, and associated wth him is his brother, Clarence A. MacKey, who will, it is understood, assume the active management.

The business has been carried on succesfully by the trustee for the past nine months, with substantial increases in volume reported.

The company operates on the chain store principle, with fourteen branches in Toronto.

International Proprietaries Class A Shares Earned $4.30

Increase in actual trading, but a small decrease in net earnings, due to increased appropriation for advertising and losses in exchange, is reported for International Proprietaries Ltd., for the year ended December 31, 1930. Net earnings, after depreciation, are shown at $1,234,214 as compared with $1,270,482 in the previous year and, after provision for income tax, staff bonus and pension fund and write-offs of organization expense, there was $4.30 per share available for the 224,265 Class A shares of no par value outstanding as against $4.49 per share in 1929, when 224,500 shares were outstanding.

Details of the consolidated income and surplus account for 1930 and 1929 are as follows:

CONSOLIDATED SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Net earn. after deprec.	1,234,213	1,270,482
Less:		
Prov. for inc. tax	238,320	228,532
Staff bonus & pension fund	19,355	22,144
Writ. off organ. exp.	12,851	12,683
Net profit	963,687	1,007,123
Div. on class "A"	583,184	584,300
Participat. class "A"	56,066	22,500
Div. on class "B"	225,000	90,000
Thermogene Co.:		
Min. shareholders div.	21	27
Surplus for year	99,416	310,296
Prev. surplus	504,701	194,405
Bal. carr. forward	604,117	504,701

Current assets of the company as at December 31, 1930, amounted to $2,754,017 as compared with $2,346,603 in 1929 while current liabilities increased to $759,924 from $486,876. Working capital of $1,994,093 compared with $1,859,727 in the previous year but the ratio of current assets to current liabilities dropped to 3.62 to 1 as against 4.82 to 1. The difference is largely due to class B dividends payable, included in current liabilities.

The various current assets have all shown an increase during the past year as follows:

Assets	1930 $	1929 $
Current:		
Cash on hand & in bk.	697,040	561,921
Accts. rec., less res.	569,187	529,506
Marketable secs.*	898,166	761,689
Inventories	589,624	493,487
	2,754,017	2,346,603

*Shown at cost. Market value amounted to $899,918 in 1930 and $763,581 in 1929.

Among the non-current assets, investment in and advances to subsidiary companies has been reduced to $108,194 from $160,434, while investments, representing capital cost of establishing distributing companies and acquisition of a substantial interest in Minard's Liniment Co., have increased to $127,946 from $123,080. Property, plant and machinery, after depreciation, are carried at $463,912 as compared with $474,842 and formulae, patents, trademarks, contracts and goodwill are carried at $6,084,689 as against $6,066,344. Deferred charges are lower at $35,245.

Accounts receivable of $759,924, include $135,000 of class B dividends payable and comprise the only current liabilities. The 224,265 no par class A shares and 112,500 no par class B shares are carried at $8,209,962 and earned surplus amounts to $604,117 as compared with $504,701 in 1929.

Gas Rate War is Ended Old Prices Charged Again

The gas rate war in Hamilton, conducted between Union Natural Gas Co. of Canada and Dominion Natural Gas Co., subsidiary of Cities Service, has come to an end. Union Natural Gas Co. has withdrawn the offer of three months' free gas followed by a rate of 65 cents per thousand cubic feet by which it expected to gain an entry into territory now supplied by Dominion Natural Gas Co., and the latter has also recalled the rate of 25 cents per thousand cubic feet which it instituted to fight Union Natural Gas Company's offer and the old price of 75 cents obtains from May 15.

It is stated that the peaceful ending was accelerated by intimation from Hon. Charles McCrea, in his new rôle as provincial gas referee, that the companies had no right to change gas prices either way without authority. The rates are therefore back on the 75-cent basis which obtained before competition entered into the contest. The old rates will obtain from May 15, customers to be charged at the 25-cent rate up to that time by Dominion Natural Gas Co. if the minister will approve.

Union Natural Reduces Dividend

Concurrently with the end of the gas war comes an announcement from Union Natural Gas Co. that its fiscal year will hereafter end on March 31 instead of December 31, and that its dividend in the current quarter will be cut from 40 cents to 25 cents a share. The stock is therefore on an annual basis of $1 a share instead of $1.60 a share. In 1930 the net income was 20 per cent less than in 1929, chiefly because of depressed business conditions and because the winter was the mildest since 1882 except 1921. The first distribution at the new rate will be on June 10 to shareholders of record May 30. It is expected by the directors that the new rate can be maintained and they hope that earnings will increase.

GOOD SALES GAIN FOR THRIFT STORES IN SECOND REPORT

Covered Pref. Dividends and Showed $1.30 Earned Per Common Share

Thrift Stores second financial statement, the first to show operations for a full period of 12 months, showed sales at $3,747,635 of which $3,363,745 represented retail distribution. While 12 stores established during the year contributed to the increased volume, it is stated that the older units also had an increase in dollar volume of goods sold. The tonnage turnover was even greater, amounting to 35 per cent, but measured in dollar value the commodity price decline reduced the monetary value.

Actual net profits available for dividends, after depreciation and taxes, were $57,245 which were equivalent to 2.52 times the dividend requirements on second preferred stock, to 4.12 times requirements on second preferred stock, after paying preferred dividends and to $1.30 a share on 20,000 no par value common shares after preferred dividends were paid.

Working capital position was strong, current assets of $428,578 being 4.25 times current liabilities of $100,729, making working capital of $327,849 as against $320,841 shown on the previous statement when the ratio was 2.96 to 1. Cash stands at $135,162 and receivables at $48,466, while inventories are down nearly 13 per cent to $244,950. There were inventory and other adjustments during the year because of the falling commodity prices which amounted to $19,373, including income tax payable April 30, 1931, and this amount was deducted from the profits of the year.

INCOME AND SURPLUS ACCOUNT

	Year Mar. 31 1931 $	8 Mos. Mar. 31 1930 $
Net earn. from oper.	96,781	54,488
Less: Depreciation	19,163	10,277
Int. paid on bal. of purch. price of assets	......	5,113
Adjustments	19,373	......
Net profit	57,245	39,098
Less appropriations:		
Pref. divds.	31,150	10,004
Surplus for year	26,095	29,094
Add: Prev. surplus	29,094	......
Bal. carr. forward	55,189	29,094

WORKING CAPITAL

	1931 Mar. 31 $	1930 Mar. 31 $
Current assets	428,578	484,067
Current liabilities	100,729	163,226
Working capital	327,849	320,841

Richardson Would Foreclose Marine Bldg. Mortgage

From Our Own Correspondent

VANCOUVER.—Further complicating the affairs of the Marine Building, one of the S. A. Stimson & Co. ventures in Vancouver, J. A. Richardson, Winnipeg, has issued a writ out of supreme court to enforce the security against the property. He alleges default in the payment of a $250,000 mortgage.

Defendants cited are Stimson's Canadian Office Buildings Ltd. and Royal Trust Co., which is sued as holder of a second mortgage.

Default was made last November in the payment of the principal sum, together with interest, it is alleged.

The plaintiff seeks a foreclosure order. His solicitors are Messrs. Lucas & Lucas.

The $250,000, it is stated, represents the purchase price of the building site.

Meanwhile, negotiations designed to convert the Marine Building into a city hall are dragging along in the face of considerable local opposition, and general opinion here is that they will prove abortive.

DIVIDEND ON PREF. OF MARCUS LOEW'S EARNED 1.10 TIMES

Earnings Lower Than 1929 But Recovering With Vaudeville Eliminated

Marcus Loew's Theatres, Toronto, had net profits of $50,511 after all expenses, write-offs and taxes for the period from January 5, 1930, to January 1, 1931, as compared with $118,934 in 1929. This means that a full year's dividends on preferred stock of $45,773 were earned 1.10 times, as compared with 2.60 times in 1929, and that the earnings were equivalent to 63 cents a share on common stock as against $9.75 a share in 1929, if preference arrears are ignored.

The situation is understood to be better at present than the actual figures indicate. The company inaugurated a new entertainment policy in September, eliminating vaudeville and orchestra entertainment which previously entailed expenses estimated to reach about $250,000 a year. It made a new booking contract with New York interests, which is more expensive, but it was hoped to save about $200,000 a year by the change. Losses made before September have been balanced by gains since that period, it is stated, and the company was able to make more than a full year's preferred dividends. It therefore declared a semi-annual dividend of 3½ per cent for the period from January 1 to June 30, 1927, payable January 15, 1931.

Reducing Bonds Further

Cash on hand and in bank amounted to $16,334 on January 1, 1931, as against $39,747 a year earlier. Current liabilities of $43,724 included preferred dividend of $22,887, which was payable on January 15, 1931, accounts payable of $10,037 and reserve for Dominion Government income taxes of $10,800. Since that period it is understood that cash has been increased to $44,000, while taxes and dividend have been paid.

INCOME AND SURPLUS ACCOUNT
Years Ended

	Jan. 1 1931 $	Jan. 4 1930 $	Jan. 5 1929 $
Yonge St. Theatre:			
Ticket receipts	489,810	567,576	503,472
Sundry revenue	2,586	3,048	2,438
Curt'n privileges	1,981	1,904	2,137
	494,377	572,528	508,047
Less: Expenses	371,969	396,769	366,701
Earn. from oper.	122,408	175,759	141,346
Add: Rental of Bloor St. theatre	46,000	46,000	46,000
Profits under pooling agree.	26,000	50,000	......
Prof. from Loew's, London	......	2,574	2,580
Insur. claim rec.	......	......	18,160
Total earnings	193,408	274,333	208,086
Less: Oper. exp.	77,461	89,668	79,146
Net earnings	115,947	184,665	128,940
Less: Deprec.	39,453	43,366	32,097
Bond interest	11,395	13,975	16,555
Bond disc. writ. off	1,911	2,523	2,981
Res. for taxes	4,594	5,867	6,300
Written off	6,296	....	....
Bal. fire exp. 1928	1,787	....	....
Net profits	60,511	118,934	71,007
Less appropriations:			
Pref. divds.	22,886	45,773	45,773
Surplus for year	27,625	73,161	25,234
Add:			
Prev. surplus	368,844	295,683	210,040
Surp on sale of shares of Hamilton theatre	....	....	31,240
Fire loss recovery	....	....	29,170
Bal. car. forw.	396,469	368,844	295,684

Working Capital

	1931 $	1930 $	1929 $
Current assets	16,323	42,321	39,583
Current liabs.	43,723	97,765	139,193
Working capital	*27,390	*55,444	*99,610

*Excess of current liabilities over current assets.

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DOMINION OF CANADA CONVERSION LOAN

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Ask any Branch Manager

Loew's London Earnings Lower, Now Improving

Loew's London Theatres had net profit, after all expenses, write-offs and taxes, of $16,052 in the period from January 5, 1930, to January 2, 1931, as compared with $47,096 in 1929. As preferred dividends of $23,618 and common dividends of $30,000 were paid in 1929 the earnings situation in 1930 was inadequate to the retention of even the preferred dividends and so none was paid. The company is understood to have improved its position considerably since the beginning of 1931, and directors are hopeful that the results of the current year will be much better than those of 1930.

Income and Surplus Account
Years Ended:

	Jan. 2 1931 $	Jan. 4 1930 $	Jan. 5 1929 $
Net profit	16,053	47,096	47,117
Less appropriations:			
Pref. divds.	....	23,618	23,619
Com. divds.	....	30,000	30,000
Surplus for year	16,053	*6,522	*6,502
Add:			
Prev. surplus	*2,380	4,458	10,709
Prof. on sale of equip.	....	....	565
Less:			
Tax adjust.	2	316	314
Bal. car. forw.	13,671	2,380	4,458

*Deficit.

Now Expect Tariff Changes To Total 350

From Our Own Correspondent

OTTAWA.—Despite press of business and attendance on parliament, Rt. Hon. R. B. Bennett has made very rapid progress with his tariff adjustment policy, and the prospects are that when the budget comes down next week there will be more tariff changes than had been anticipated.

Mr. Bennett, of course, will not be able to carry out the complete revision promised last September, for the reason that he has not had time to deal with 1,000 items of the Tariff Act. But instead of revising 100 or 150 items, as was expected three weeks ago, he may deal with as many as 300. This would make the 1931 revision more important than that of last September. Information obtained from official sources this week indicates that Mr. Bennett will rewrite approximately 350 items.

The policy will be to increase the tariff consistently throughout the schedules, more particularly the general tariff. Few changes will be made in the Preferential tariff because of the impending Economic Conference. The schedules to be dealt with will include—iron and steel, machinery, chemicals, magazines and newspapers, wool, corn and feeds, and coal.

Goodfish Meeting Called

Goodfish Gold Mines has called an annual shareholders meeting to be held in Kirkland Lake, Ont., on June 4. Since the company is inactive, routine business only is scheduled.

NOTICES

8 o'clock P.M., June 2nd, Village of Belle River, $8,500.00, 6 per cent Waterworks debentures, dated June 1st. 1931, redeemable annually within 20 years, from 1932 to 1951. Capital and interest payable at Provincial Bank or Treasurer's Office, Belle River.

Mederic Forget, Clerk.

Tenders for Debentures

Tenders received up to 4 p.m. June 1st, 1931, for "Municipality of Restigouche Goal Debentures, 1931" under Act. Geo. V. c. 96, Acts of N.B. 1931. Subject to Municipal Debentures Act. Amount $15,000. Denomination $500. Interest 5% payable June 1st and December 1st. Date of issue June 1st, 1931. Date of maturity June 1st, 1951. Bearer Bond. Coupon Interest.

Dated at Dalhousie, Restigouche County, New Brunswick, May 14th, 1931.

STANISLAS BLANCHARD,
Secretary Treasurer, Municipality of Restigouche,
Dalhousie, Restigouche County, N.B.

Town of New Waterford

TENDERS for $100,000 Debentures of the Town of New Waterford will be received by the undersigned up to June 15th, 1931. The Debentures are payable in 20 years, dated May 15th, 1931, and bearing interest at five and one half per cent, payable twice a year at the office of the Town Clerk and Treasurer. Sinking Fund to be sufficient to pay the Debentures at the date of maturity.

The highest or any tender not necessarily accepted.

W. J. HINCHEY, Mayor.

Dated at New Waterford, N.S., this 12th day of May, 1931.

SALE BY TENDER

ATTENTION OF CONTRACTORS INVITED

Sealed Tenders endorsed "Tenders for Crookston Quarries" will be received by the undersigned up to twelve o'clock noon on the Fifth Day of June 1931, for the purchase of the Crookston Quarries and six buildings erected thereon and the undermentioned equipment; the said Quarries are situate in the Township of Huntingdon, Ontario, eight miles from Tweed, six miles from Madoc, and 20 miles north of Belleville, on the highway extending on both sides of the County road, at proximity to C.P.R. and C.N.R. stations and have a C.N.R. siding, and they have an area of 47 acres more or less:

1500 ft. assorted iron pipe and some rd. steel
1 60 H.P. Loco type boiler
6 (Huy) derricks
4 steel scale boxes
8 wooden scale boxes
1 Lorry Stone Car
2 Steel stone cars 48" gauge
1 — 2 way cement dump cars
600 approximate feet of 56 lbs. steel rails
600 approximate feet of 30 lbs. steel rails
1 — 3 drum double cylinder hoisting engine
1 — 2 drum double cylinder hoisting engine
1 No. 4 Gates Gyrator stone crusher*
1 — 2 drum double cylinder hoisting engine with swinger*
*Presently situate at Fuller, Ont.

CONDITIONS

Tenders must be submitted for the whole property and equipment and must be accompanied by a cheque for the full amount of the tender, cheque to be made payable to the order of Capital Trust Corporation Limited and endorsed by a Canadian chartered bank. The highest or any tender not necessarily accepted. Any further information may be obtained from the undersigned.

BY ORDER of the owners.

CAPITAL TRUST CORPORATION Limited,
10 Metcalfe Street,
Ottawa, Ontario.

$4,324,000

Province of British Columbia

(Canada)

4% Thirty-Year Sinking Fund Gold Bonds

Dated May 15, 1931. Due May 15, 1961.

Principal and half-yearly interest (May 15 and November 15) payable at the holder's option in Canadian gold coin in Toronto, Montreal, Vancouver or Victoria, or in United States' gold coin of the present standard of weight and fineness at the Agency of The Canadian Bank of Commerce in New York.

Legal Opinion of Messrs. Long and Daly, Toronto.
Denominations—$1,000 and $500.

Bonds may be fully registered or registered as to principal only. Proceeds of this issue will be used for repayment of short-term treasury bills originally issued for roads, bridges, buildings, Provincial University and other Provincial purposes.

PRICE: 93.75 and accrued interest yielding 4⅜%

Fry, Mills, Spence & Co Limited
McLeod, Young, Weir & Co. Limited
Bell, Gouinlock & Co. Limited
Victor W. Odlum, Brown & Co. Vancouver

QUALITY ENGRAVING—*the Essential Safeguard in Monetary Documents*

The COUNTERFEITER

No dull, ordinary criminal, is the counterfeiter, but a shrewd and cunning student of his evil craft. When he sets out to "do a job" he is painstaking and tireless.

When you send securities out into the world, he looks them over. Can they be duplicated? When done by this Company — NO. Copied — yes, for there is nothing that cannot be copied. But duplicated—NO!

The making of Bank Notes—Bonds and all monetary documents, is an art brought to perfection both in the human and mechanical side of this establishment—men whose skill in the art of steel engraving cannot be equalled elsewhere—machinery and methods developed during a century of experience and intensive study.

That is why engraved documents bearing the imprint of Canadian Bank Note Company have individuality and character which is as impossible to counterfeit as is the work of an Old Master.

OVER 100 YEARS OF DEPENDABLE SERVICE

CANADIAN BANK NOTE COMPANY

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Head Office and Works: OTTAWA

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Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

B. A. Oil; International Pete

I would like your opinion of British American Oil common and International Petroleum in view of the present oil situation.

With regard to the oil situation and its influence on British American Oil and International Petroleum, the present world situation has not as yet affected these companies sufficiently to make the directors even consider a decrease in the dividends, according to statements by officers of both companies. So far as the future is concerned both companies are well financed to stand an adverse period.

British American Oil dividend does not depend to any degree on operations outside of Canada so that returns, though greatly decreased from what it may have expected, from its wells in Oklahoma, will be a welcome addition.

International Petroleum dividends will entirely depend on operations outside of Canada, mainly in South America. The world situation means more to it and yet the company, we are assured, does not yet find the situation embarrassing to it from the dividend standpoint. We cannot say what may happen as the year goes on. We imagine that it still gets a fair price for all that it sells in South America and a competitive price for what it sells in the United States, Canada and Europe. Whatever happens to the dividend for the immediate future, we feel that the long view is encouraging.

Can. Western Natural Gas

I hold 20 shares of preferred stock of Canadian Western Natural Gas, Light, Heat & Power Co. May I have your opinion on this company?

The Canadian Western Natural Gas, Light, Heat & Power Co. paid $6.50 a share in 1930 and earned $17.13. It had earned $21 a share in 1929; $24.15 in 1928; $21.64 in 1927; and $65.66 in 1926. Reports of geologists indicate that the company has reserves of gas for a very long period and with its active exploration programme it should be able to keep this up almost indefinitely so far as the present generation is concerned.

The weakness of the company is that it has a deficiency of working capital, current liabilities at the end of 1930 being $846,789 and current assets only $474,451. The company pays $320,000 in ordinary dividends and if it was desired to strengthen working capital it would probably be these dividends which would first be affected.

Quinte Milk Products

Have you any recent information regarding the position of Quinte Milk Products? A holder of preferred stock informs me that he received no dividend on April 1 and heard nothing about it being passed. Have you a record of the company directors?

Quinte Milk Products in 1930 was able to add only $1,946 to its profit and loss account and dividends on the 7 per cent preferred stock were passed in July, 1930.

Current assets amounted to $26,835 and current liabilities $4,381. Cash was $10,230. Inactive assets were shown at $169,323. Reserves amounted to $27,831. There was outstanding 1,500 preferred shares of $100 and 6,000 no par value common shares.

Net sales in 1930 amounted to $192,146. Proceeds of milk amounted to 8,186,758 pounds for 1930 as contrasted with 11,073,998 pounds for 1929. Ice cream sales were up 25 per cent. Improvements will have to come before the preferred stock can share in earnings.

In October, 1930, there was no funded debt. The officers were W. Lloyd Wood, Sr., president, and Lloyd Wood, Jr., general manager. The company was started in 1928 having acquired Campbell's Creamery of Wellington, Ont. The stock has not been listed.

Municipal Bankers

What equity is behind bonds of Municipal Bankers Corp. and Canadian Terminal System Ltd.?

Do you consider the principal of these bonds safe?

Bondholders recently approved Municipal Bankers Corp. reorganizations plans, whereby interest was reduced materially. It is difficult to tell the equity behind the bonds as liquidation would have shown a big falling off from par value of mortgages held. Under the new plan it is hoped that the company's position will be gradually strengthened.

The equity behind bonds of Canadian Terminals system is very uncertain. It consists in great part of securities of subsidiaries and present marketable value would probably be quite low.

Cuban Canadian

I hold some preferred shares of Cuban Canadian Sugar Co. Has any information been published by the company in recent years; have the preferred shares been wiped out?

No information has been published regarding Cuban Canadian Sugar Co., to our knowledge, for some years. The latest available financial statement covered operations in 1927. Our understanding is that operations of the company have shown little improvement. The capital structure is unchanged, and, as yet, the preferred stock is still in existence.

Winnipeg Electric

I hold some first mortgage bonds of Winnipeg Electric Co., and would like to have your views on the position of the company.

Winnipeg Electric Co. experienced some difficulty last year, due to a power shortage and also to unprofitable operation of its tramway utility. Earnings were lower than those of 1929, but were ample to cover bond interest requirements. It is possible that some arrangements will be made with the city in the future which will relieve the company of some of its obligations in connection with the street railway, which should have a constructive effect on earnings. Recurrence of a power shortage should be largely eliminated when the company's subsidiary, Northwestern Power Co., brings its development into operation next year.

Western Savings & Loan

I should like your opinion of the investment certificates of Western Savings & Loan Association as an investment. Do you consider that these certificates are an absolutely safe form of investment and does this company operate under a charter?

Western Savings & Loan Association has been in existence since August, 1927, being the first company of its kind to be organized in Manitoba. Its object is to accumulate a sufficiently large amount in small monthly savings of its certificate holders to be loaned on the security of first mortgages, to assist borrowers in obtaining homes by reasonable monthly payments on mortgages and to assist certificate holders to accumulate large sums of money by systematic saving.

The last financial statement indicated a good position. Rates for safe mortgages may change either up or down during the period of the investment mortgage certificates and in various periods no one can foretell the exact ratio of mortality of first mortgages issued. However, with Government inspection it would appear that there is considerable protection against loss. We do not consider these certificates would be good for purchase by a man who is not able to carry through to maturity. As you can see by studying the conditions of each certificate the first four years would not prove profitable. Though there are withdrawal privileges it is to a certain extent a tie-up of money for the period. On payment at maturity, however, each person who carried through would feel well rewarded for the sacrifice taken and whatever risks there may have been.

Auditors reports are filed each month with the Municipal and Public Utility Board of Manitoba.

National Sewer Pipe

I am interested in the National Sewer Pipe Co. Will you kindly give me information as to the future prospects of this company?

National Sewer Pipe Co. earned $215,428 in 1930, year ending October 31, and paid class "A" dividends of $71,540 and common dividends of $186,165, thus showing after these dividends a deficit of $42,277 for the year. The class "A" dividends were, therefore, well covered as they had been in the preceding year, but increased profits would be necessary to cover common. In the year the company improved its financial position so that its current assets are 15.8 times current liabilities whereas a year earlier they had been only 8.5 times current liabilities.

Though the common stock showed greater dividends paid than earned in 1930, this dividend was evidently based on the earnings of the preceding year when $246,465 was available for common.

The company is the largest organization in the Dominion engaged in the manufacture of vitrified clay products. It is expected that the shares will be listed on the Toronto Stock Exchange eventually.

Anticosti Corp.

I hold some bonds of Anticosti Corp. I have heard nothing about this company for some time since the preferred dividend was passed. What is the position of the bonds?

As you know, interest on the bonds of Anticosti Corporation will probably be deferred and until an announcement is made regarding reorganization of Canada Power & Paper Corp., the position of bondholders must be considered indeterminate.

Lake of the Woods

I hold a block of Lake of the Woods Milling Co. common shares. I notice that the stock has declined in value. What are the prospects for the company?

Lake of the Woods Milling Co., in common with other millers, has felt the effects of the difficulties confronting the industry. The company's recent expansion into the baking field in Western Canada has not proved profitable to date, while a bond issue of $4,000,000 has been created to liquidate bank loans. These bonds constitute a first charge on the earnings. The outlook for the industry as a whole is not encouraging at the present time, for the entry of Russia as a world wheat exporter militates against operations of Canadian millers in export markets.

Calgary Power

Among my investments are some preferred shares of Calgary Power Co. I feel that the stock is sound, but would like to have your opinion of the company.

Calgary Power Co. is beginning to feel the benefits of expansion carried out in the past few years. Its system has been widely extended, a new power plant brought into production, and earnings in 1930 showed an increase over 1929. The company is the leading utility in Alberta. Recently it extended operations into Saskatchewan, a factor which may have a constructive bearing on earnings in the future. Earnings in the past have been sufficient to cover preferred dividend requirements by a comfortable margin.

Burns; Massey-Harris

A customer holds a 5½ per cent bond of Burns & Co., due 1949, and a 5 per cent bond of Massey-Harris Co., due 1947. Would you state the position of these securities for an investor considering the advisability of sacrificing these securities at current prices?

Burns & Co., in 1930, barely covered its bond and interest on loans without any deductions being made for depreciation. Bank loans of the company were high and business conditions in Western Canada, where it operates, had not improved in 1931 as compared with 1930. Most observers expect a rather slow improvement when it does come, though an upturn in wheat prices would be a great help.

The company has about $14,000,000 in tangible net assets against $6,928,400 of 5½ per cent mortgages, due 1948, outstanding. The annual sinking fund payment of $100,000 has to be paid this year for the first time. The prospects of the company are inevitably bound up with the prosperity of Western Canada where it operates. That the West will recover eventually is a matter for faith of all its citizens and the only question is as to whether it occurs soon enough to prevent any interference with service on these bonds. It is also possible that with economies and without the same necessity to take inventory losses the company might give a better showing in 1931 than last year. This cannot be judged before the event, however.

Massey-Harris Co. in the year ending November 30, 1930, only earned 67 per cent of the interest needed for the five per cent bonds due 1947, and this was before depreciation. In 1930 the surplus of Massey-Harris Co. practically disappeared being only $247,387 after taking a loss of $2,247,440, writing off $588,214 for depreciation, $996,067 for bad and doubtful debts and $573,082 for bond interest and expenses.

The company has enormous assets in bills and accounts receivable and in inventories. As purchasing power of farmers permits them to buy these inventories and to pay up their accounts the company's liquid position will grow enormously in strength, but a necessary precedent to this recovery is increased purchasing power by farmers. That may be slow to come about, but in the meantime the company is making every economy that it can under new management.

Canada Northern Power

I would like some information regarding Canada Northern Power Corp. Are the mines and the towns, depending on the mines, the chief consumers of power from this company? In what districts does this company operate? Some time ago stock of the company was sold at $107 and, I was given to understand, will repurchase it at any time at $105 a share. If the market value should fall considerably can an investor be assured of selling to the company at this figure? What, in your opinion, is the possibility of this company being taken in by the Ontario Hydro-Electric Power system?

Canada Northern Power Corp. controlled by Power Corp. of Canada, supplies power and light through its subsidiaries to the mining towns and districts of Northern Ontario and the Rouyn district of Northwestern Quebec. The chief consumers are the mines and the towns depending on mines in these districts.

In September, 1929, the company inaugurated a customer ownership campaign, offering 5,000 preferred shares of the company in lots of not more than 10 shares to one customer at the price of $107 a share. The preferred stock is cumulative and redeemable in full or in part at the option of the company at 110 and accrued dividends, not $105 as stated to you.

This stock was first offered by Nesbitt Thomson & Co. in 1924 at $99 a share with a bonus of three shares of no par value common stock with each 10 shares of preferred. Earnings in recent years have been about twice dividend payments required. With respect to what the salesman may have promised you, it is difficult to prove promises made by word of mouth. Canada Northern Power preferred has been selling at about 105 on the market.

No immediate effort to get control of Canada Northern Power Corp. seems to be likely from Ontario Hydro. As to movements of that kind, it is difficult to predict.

Depressions Always End

Are world conditions so bad that it is unsafe to buy any securities at any price? I hold C. P. R., British American Oil, International Petroleum, Canadian Car & Foundry preferred, Beauharnois Power bonds and Sherritt-Gordon, purchased at higher prices than those prevailing now. I am beginnning to believe that if this depression keeps up much longer a lot of my investments will not be worth the paper they are printed on, as there are no prospects of prosperity in the near future? What will prevent bonds and stocks dropping to nothing?

Except Sherritt-Gordon which is a speculative mining stock of uncertain prospects, most of the stocks selected by you are the securities of companies which should have over the long pull a good experience. This is irrespective of temporary emergencies such as that which caused the C. P. R. to cut its dividend in half for the present quarter.

There is no reason to suppose that the present depression is in any respect different from other depressions except in intensity and possibly in duration. Every business cycle has shown the same characteristics: first, recession; then, depression followed by revival; and eventually prosperity which again descends into recession and depression and the cycle is renewed again and again.

Prof. Wesley C. Mitchell in a recent study of 15 crises in 110 years states that 7 1/3 years has been the average length of a cycle. A study of the last 75 years shows, however, the length of the cycle on the average to be not much more than four years for the world at large and four years on this continent. In the United States for 75 years back the business cycle has run its course in periods as low as one year in length and as high as 10 years, in England from one year to five years, in France from one to five years and in Germany from one to four years. You will see from this that cycles have been highly irregular in duration and that averages are helpful but not final.

Prof. Irving Fisher finds the average duration of a business cycle to have been 4.45 years in the period from 1796 to 1845, to have been 4.12 years from 1845 to 1890 and to have been 3.27 years from 1890 to 1923.

Although the present depression appears the most severe on record so far as the United States is concerned, statistical charts indicate that the level of business relative to population is but slightly deeper than those of 1885, 1893 and 1908. That is true also for Canada. Business could reach its peak between February, 1932, and February, 1933, if the present depression was the average length. Depressions which are abnormally deep are usually followed by periods of recovery longer than normal and vice versa. Even taking into account the possibility that the present depression will be deeper and more prolonged because of the boom that preceded it, Prof. Fisher expects the peak of the next boom to be attained around March, 1933.

Ottawa Power

In viewing the refunding mortgage bonds of Ottawa Light Heat & Power from an investment angle, do these securities occupy a satisfactory position? I have had the bond in mind as a purchase.

Ottawa Light, Heat & Power Co. has a satisfactory record of progress despite competition encountered from the Ottawa Hydro-Electric Commission. Earnings have increased annually over the past decade and interest requirements on the five per cent refunding mortgage bonds have been earned more than twice over, after depreciation, since their offering in 1927. The company's subsidiaries, Ottawa Electric and Ottawa Gas, have adopted aggressive policies in widening the scope of their operations.

When Women Invest

A WEEKLY FEATURE

Prefers Stocks

I read with great interest what you had to say with regard to the advisability of women holding bonds maturing up to November 1, 1934, exchanging for the new Dominion of Canada 4½ per cent conversion loan.

I am a widow and, except for owning my house, my whole income is derived from 15 $1,000 bonds falling due November 1, 1934. Being 5½ per cent bonds they bring me in $825 but if I changed the new bonds would only bring in $675. By renting one room my daughter and I can get along on $825 but I doubt if we could on $675.

I know, of course, as a reader of your paper, that C. P. R. has cut its dividend in half, but it would seem to me that strong companies will in a year or so be doing as well as ever, and a person who buys now should do quite well.

I have been thinking how I could invest this money, and today, May 18, it seems to me prices would let me buy some of the best stocks which would increase instead of decreasing my revenue. I have to have my money safely invested, but wouldn't the attached list be safe enough? I mean that if Canada goes ahead these companies appear likely to grow with it. What do you think?

Your list of closing prices of May 18 would show you an annual income of $985 a year so that there might be one or more additional dividend reductions in the companies mentioned in your list before you would have a lower income than at present. We repeat your list with the addition of dividends which would be earned at the present rate:

	Cost	Dividend
150 shs. Int. Nickel	$1,800	$ 90
60 shs. C. P. R.	1,515	75
15 shs. Bell Telephone	2,100	120
300 shs. Walker's	1,500	150
150 shs. Loblaw's	1,913	120
30 shs. Page Hersey	2,243	150
75 shs. Steel of Canada	2,100	130
150 shs. International Pete	1,706	150
		$985

If you bought the stocks you mention at the prices you mention you would indeed have good chances of some time profiting materially if the future course of these stocks after the present depression runs true to the general record given in the past. We would except Walker's which is a distillery stock subject to legal hazards hard to estimate and at present in a highly competitive business as well. It recently cut its dividend in half. It has a strong cash position.

Two of the strongest companies in the group are not at the moment earning the reduced dividends now being paid, International Nickel and C. P. R. There are good reasons to have faith in the future performance of these stocks but the immediate future is clouded in a way that of the Dominion Government bonds are not. You need have no worries at all with the bonds but with your stocks, even though they make on the whole an excellent list, you would be worried about the over-production of crude oil and wonder how it would affect International Petroleum, and how the general state of business might affect such strong companies financially as Steel of Canada and Page-Hersey.

If you had an equal holding of Government bonds we would be inclined to agree that this list would hold excellent opportunities for you in the future. It is a good business man's list with investment value for one who desires to hold and speculative attractions for a long hold. But strong as the list is, it should be held by people willing to stand fluctuations both in price and dividends. Such reductions might not occur but the possibility cannot be ignored.

You could effect a compromise by holding $5,000 of your bonds to maturity, which would give you $275 a year, put $5,000 in trust company 5 per cent debentures which would pay you $250 and invest $5,250 (including $250 premium which you would get by selling now) in stocks to give a yield of 6 per cent. That would give you $840 if there were no dividend reductions, and when your bonds matured you could invest again in proven stocks and bonds of that time. You could try Nickel, C. P. R. (not too many shares because of the low earnings position at the moment), Bell Telephone, Loblaw's, Page-Hersey and Steel Co. of Canada. International Petroleum might prove an excellent stock even from the standpoint of safety in 1934 but at this time it is best not to look too far ahead.

Changes Announced in National Trust Co.

Important changes in the executive of National Trust Co. were announced recently with the retirement of Sir Joseph Flavelle as president to become chairman of the board of directors. He is succeeded as president by W. E. Rundle, formerly vice president and general manager.

J. M. Macdonnell, formerly assistant general manager becomes general manager.

Convenient Conversion

Our organization has made special arrangements to take care of the conversion of Dominion of Canada bonds, maturing between now and 1934, into bonds of the new long-term issues.

We shall be glad to explain all details of the transaction and to help bondholders effect the exchange.

You are invited to write, telephone or call at our offices.

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THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
60 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages, including building loans. *Applications invited.*
A. M. SMART, *President.* T. H. MAIN, *Manager.*

Dominion of Canada Bonds
1931-32-33-34 ISSUES
may be exchanged for the new
1931 CONVERSION LOAN BONDS
at any of our Branches without charge
Official Application Form and full information furnished at Branches.
THE BANK OF NOVA SCOTIA
ESTABLISHED 1832
Capital $12,000,000; Reserve Fund $24,000,000; Total Resources $265,000,000
J. A. McLEOD, General Manager, Toronto.

MULTIPLY THIS

MILLION *times*

and you'll have some idea of the punishment your floors have to take.

There is only one answer to the remorseless pressure of business floor traffic. Dominion Battleship Linoleum ... the permanent floor that stands up under the pounding boot-heels and scurrying footsteps of modern business life.

It has proved itself in countless installations throughout Canada ... in banks, offices, stores, schools and public buildings ... as a quiet, restful, easily cleaned floor that never needs replacement or costly refinishing.

Made in three qualities, AAA in eight colours; AA and A in five. Special shades obtainable for large contracts. Installed by large house furnishing and departmental stores.

Write us for samples and literature.

Dominion Oilcloth & Linoleum Company Limited Montreal

"How much of your Overhead is Underfoot?"

DOMINION *Battleship* LINOLEUM

LOWER in PRICE
SUPREME in QUALITY

Higher quality at lower price stamps the Durant 6-11 as Canada's greatest six cylinder automobile value. No other car in its price class offers so many features .... long wheelbase .... power .... riding comfort .... steeldraulic brakes .... combined with a definite assurance of long life and high resale value.

See and Drive the Durant 6-11 .... it will amaze you with its greater dollar for dollar value.

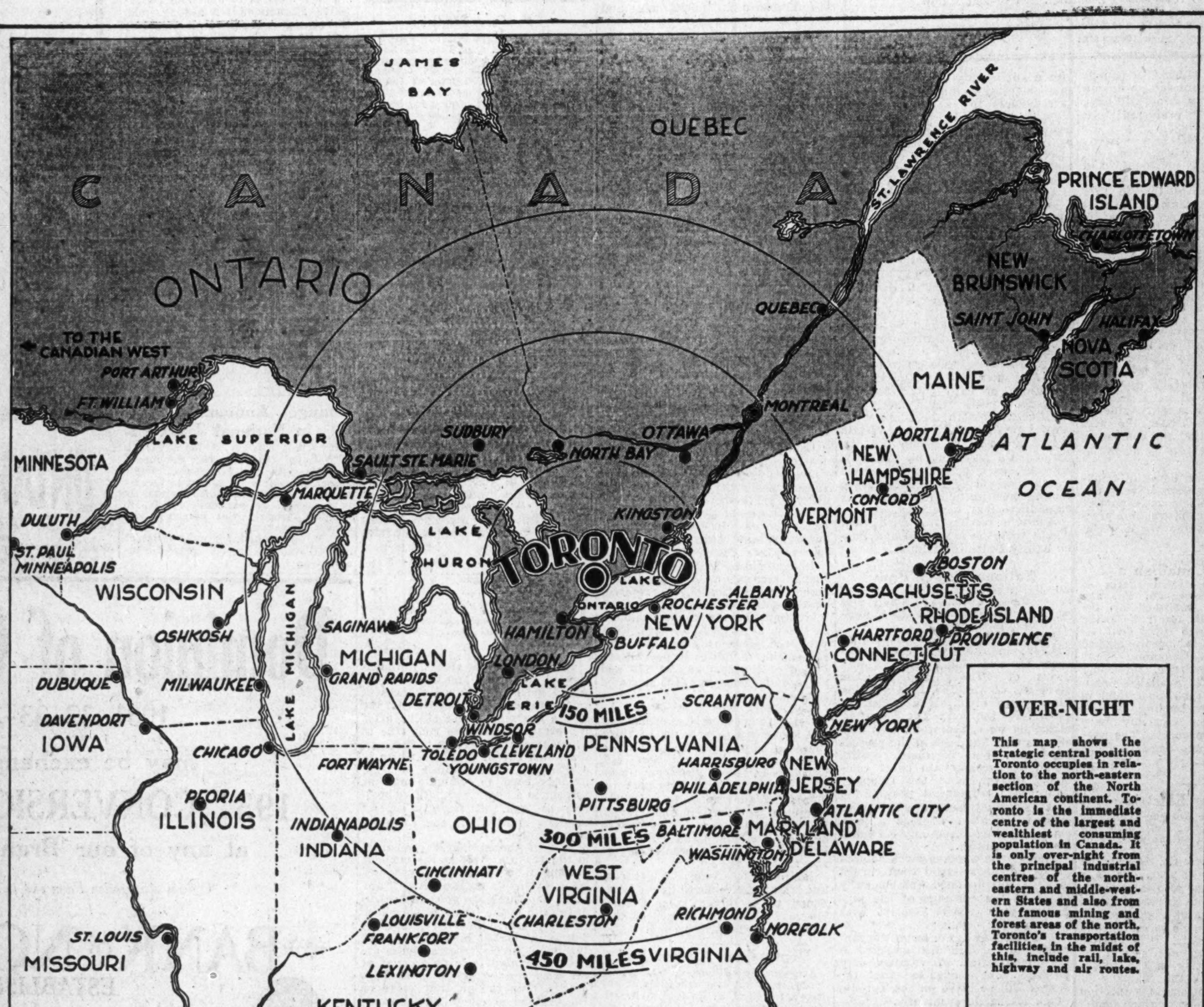
BUILT BY
A Canadian Company Controlled by Canadian Capital
DURANT MOTORS of CANADA, LIMITED
TORONTO (LEASIDE) CANADA

THE DURANT
6-11
SIX CYLINDER

$1019
Standard Sedan Delivered in Toronto Completely Equipped Except License

Durant, Six Cylinder, Standard Sedan, Model 6-11

DURANT
A GOOD CAR



OVER-NIGHT

This map shows the strategic central position Toronto occupies in relation to the north-eastern section of the North American continent. Toronto is the immediate centre of the largest and wealthiest consuming population in Canada. It is only over-night from the principal industrial centres of the north-eastern and middle-western States and also from the famous mining and forest areas of the north. Toronto's transportation facilities, in the midst of this, include rail, lake, highway and air routes.

Toronto's Strategic Location

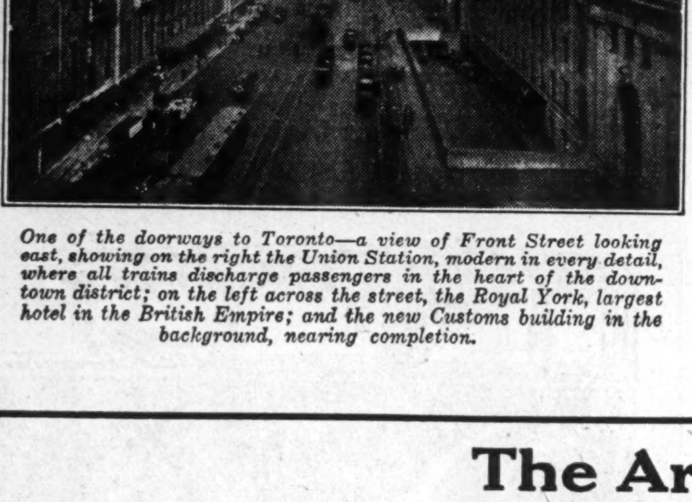
GEOGRAPHICALLY the city of Toronto is at the very centre of the phenomenal but firmly-based national wealth which Canada has created and now possesses—a wealth which is attracting the attention of the whole world. Inevitably as Canada develops, Toronto grows. So it has been; so it will be. The particular location of Toronto largely brings this about.

Toronto is the capital and chief city of the Province of Ontario which has 52% of the manufacturing income of the whole of Canada, 35% of Canada's national wealth, 30% of her agricultural wealth, 35% of her income from mines, 30% of her forest income, 38% of her water power development, and 43% of her buying power.

As the above map illustrates, Toronto is the immediate centre of the wealthiest, most populous, and largest consuming area in Canada and, as well, north, south, east and west, Toronto is but an overnight run from an astonishing number of the most important cities on the North American continent. Toronto is only this short distance from New York, Boston, Washington, Baltimore, Pittsburg, Cleveland, Detroit, Chicago and from Montreal, the only other city in Canada comparable in size with Toronto. Forty-five million people (45,000,000) live within a night's express run from Toronto, seventy-eight million (78,000,000) within 24 hours. Likewise, the famous mining and forest sections of the Canadian North, storehouse of colossal wealth and where a new empire is being built, can be reached in a few hours by train from Toronto.

Supported by such a rich market close at hand, Canadian factories, and particularly Toronto factories, whether they be local Canadian companies or branches of American, British or foreign firms, are making great strides in the development of export trade. It is notable that Canada's foreign trade per capita is **second** among all the nations of the world, and although she is 27th among the nations of the world in population, she is **fifth** in her total volume of trade.

As a manufacturing and world export base Toronto is yearly growing in importance. The combination of the rich and immediate Canadian market, with the possibility of export business throughout a large part of the world under preferential treaties, is a powerful attraction to manufacturers. Toronto has more factories and produces more goods annually than any other Canadian city. Each month sees more factories locating in Toronto to benefit by the unique advantages which such a location offers.



One of the doorways to Toronto—a view of Front Street looking east, showing on the right the Union Station, modern in every detail, where all trains discharge passengers in the heart of the downtown district; on the left across the street, the Royal York, largest hotel in the British Empire; and the new Customs building in the background, nearing completion.

The Arresting Story of Toronto

Eleventh of a series of twelve advertisements describing the City of Toronto prepared by The Financial Post. The undermentioned public spirited citizens, firms and institutions have made possible this series.

The Bell Telephone Company of Canada

Canadian Terminal System, Limited
Terminal Building, Toronto

The Consumers' Gas Company of Toronto

Laura Secord Candy Shops Limited

The T. Eaton Company, Limited
Departmental Store

George H. MacDonald Limited
National Advertising

Indiana Limestone Company of Canada Ltd.
Toronto Montreal
"The Aristocrat of Building Materials"

The King Edward Hotel Co., Limited

The Lawrason-Doughty Co.
Cartons, Display Boxes, Cut Outs, Window Trims
Toronto, Canada

The Office Specialty Mfg. Co. Limited
Manufacturers of complete office equipment in both wood and steel.

Service Engravers Limited
Engravers to The Financial Post

Durant Motors of Canada Limited
"A good car"

Toronto Ready Mix Concrete Limited
Transit Mixed Concrete

Toronto Industrial Commission

Direct enquiries to the Toronto Industrial Commission, Concourse Building, Toronto, for detailed information

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 21, 1931 | 10c a Copy; $5.00 a Year | No. 21

TUCKETT TOBACCO EARNINGS HIGHER FOR LATEST YEAR

Common Profit is $23.51 Per Share, Up from $19.78

WORKING CAPITAL UP

Non-Callable Preferred Further Buttressed With Dividend Earned Five Times

Despite the business depression, Tuckett Tobacco Co., Hamilton, for the year ended March 31, 1931, increased its earnings over the previous year. The 7 per cent dividend on the $2,000,000 of preferred stock (a non-callable issue) was earned more than five times, compared with about 4½ times in the previous year. Earnings on the common stock in the latest year were $23.51 per share, compared with $19.78 in the previous year.

Following are comparative details of the profit and loss account:

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1931	1930	1929
	$	$	$
Net profits*	729,015	634,626	456,791
Less appropriations:			
Pref. div.	140,000	140,000	140,000
Ord. divs. & bonus	150,000	150,000	100,000
Surplus for yr.	439,015	344,626	216,791
Add:			
Prev. surp.	1,737,682	1,393,056	1,176,265
Bal. forward	2,176,697	1,737,682	1,393,056

*After providing for taxes and depreciation.

Working capital is improved to the extent of $384,815, there having been an increase of $121,380 in current assets and a decrease of $384,435 in current liabilities. The comparative figures are:

	1931	1930
	$	$
Current assets	3,968,359	3,846,979
Current liabs.	351,699	615,134
Net working capital	3,616,660	3,231,845

While inventories were up from $3,070,622 to $3,132,692, accounts receivable were reduced from $751,088 to $699,110. Cash is increased from $25,269 to 136,554.

There is a considerable increase in the investment in real estate, buildings, and equipment, this item of fixed assets standing at $1,539,353 at the year end, compared with $1,139,265 at the end of the previous period. Goodwill and trademarks remain at the former figure of $2,478,672, Reserve for building, equipment, etc., was increased from $600,000 to $974,580. There is also a contingent reserve of $20,000.

CALGARY POWER CO. TO EXCHANGE POWER

Arrangement With City System of Lethbridge

From Our Own Correspondent

LETHBRIDGE, Alta.—Calgary Power Co., dominant hydro-electric company in Alberta, strengthened its position very materially in the southern end of the province this week when it entered into a new agreement with the city of Lethbridge for an interchange of power extending over a period of ten years. Calgary Power now has franchises or power affiliations with Lethbridge, Cardston, Taber, Pincher Creek, Macleod, Vulcan, Claresholm, Nanton, High River and other key towns not to mention many smaller rural centres in this territory. At Pincher Creek it links up with the East Kootenay Power Company's lines extending out on to the prairie from the Crow's Nest Pass.

By the new agreement there will be an interchange of power, as deemed necessary, between the city and power company, the rates to be as follows: for the first 2,000,000 kw.h. per year or fraction thereof delivered by the one party to the other, eight-tenths of one cent (.8c.) per kw.h.; for all over 2,000,000 per year, one-half of one cent (0.5c.) per kw.h. Settlement shall be made to each party purchasing current on or before the 20th of the month following the period for which the statement is rendered.

The preamble of the agreement states that it has been deemed mutually advantageous for the parties to maintain an interconnection in order that each may provide standby or emergency service to the other and may provide for future growth of load in either system. The new $200,000 city power plant, as different from the old contract, will operate continuously throughout the year.

Takes New Office

Kenneth G. Tatlow is now occupying new offices in the Hall Building, 789 West Pender St., Vancouver, where he is specializing in Dominion, provincial and municipal bonds.

Newfoundland Sets Pace in Paper Trade

From Our Own Correspondent

MONTREAL. — Newfoundland newsprint mills continue to set the pace for North American producers. During April the Island reported a production of 23,016 tons, which represent operations of 90.0 per cent of capacity rating. This compares with an operating ratio in Canadian mills during the same month, of 64.0 per cent and of 69.6 per cent in American plants.

For the first four months of this year, Newfoundland mills manufactured 95,318 tons of newsprint. This was the highest mark ever established by the mills and compares with the former record of 91,112 tons, set in the corresponding period of 1930.

PENMANS STOCK TOUCHES NEW LOW IN SCANT TRADING

Common Dividend Returns 10 Per Cent at Level of 40

From Our Own Correspondent

MONTREAL—Though not actively traded in shares of Penmans Ltd. have declined steadily from their high of 73 earlier in the year until at current levels of 40 the dividend of $4 a share yields 10 per cent. The low last year was 53.

No official statement is available but it is likely that earnings have shown little tendency to improve. In 1930 earnings dropped 50 per cent to $332,997 and despite the fact that no provision was made for depreciation, usually written off to the extent of $100,000, profits equalled $1.93 a share on the common as against dividend requirements of $4.

Drew on Surplus

Payment of common dividends necessitated drawing on surplus for $133,310 leaving a balance forward into the current year of $1,641,347. Total dividend needs are not large amounting to $64,500 for the preferred and $258,072 for the common at the present rate. Senior to these stocks there is a funded debt of $1,916,000, 5½ per cent, bonds.

Operations of the company have benefitted to some extent by the tariff. New equipment was placed in one of the Paris mills a few months ago to take advantage of the revised schedules on imports of stockings.

Has Long Dividend Record

Penmans Ltd. has an eminently satisfactory record of dividend payments to date. Disbursements have been increased from time to time since 1907 until the present payment is equal to $12 a share on the old stock which was split three for one in 1927.

The balance sheet position at the end of last year was unimpaired. Bank loans had been reduced by $200,000 to $650,000. Though working capital was lower by about $280,000 at $2,464,087, ratio of current assets to liabilities showed an improvement standing at 4.06 to 1.

B. C. Power Earnings Advance During April

From Our Own Correspondent

MONTREAL. — An increase of net earnings of $60,680 for April last as compared with the same months a year ago is reported by British Columbia Power Corp. While gross earnings for the month were lower than the gross for April, 1930, operating expenses showed a decline of $89,023, due principally to the fact that expenses last year included additional charges incurred in connection with the power shortage.

The statement for April shows a gross income of $1,185,650 and operating expenses of $803,800, leaving a net of $381,850 from which was subtracted interest amounting to $173,616, leaving a balance of $208,234. This compared with the corresponding figure of $175,774 in the same month last year.

For the ten months ended April 30 this year gross income totalled $12,289,382 and expenses $7,964,739, leaving a net income of $4,324,643. Interest charges totalled $1,584,662, leaving a balance of $2,739,981. For the corresponding ten months' period ending April 30, 1930, gross revenue amounted to $12,324,708 and operating expenses $8,640,256, leaving a balance of $3,684,452. After the payment of interest charges totalling $1,145,129, there remained a balance of $2,539,322.

FAMOUS PLAYERS STOCK REGISTERS SMALLER DECLINE

Those Who Exchanged for Paramount Publix Lose More

From Our Own Correspondent

MONTREAL. — Shareholders of Famous Players Canadian Corp. who did not exchange their holdings for those of Paramount Publix Corp. on a five for four basis in 1930 are, for the moment, congratulating themselves. The Paramount dividend was recently cut from $4 to $2.50 a share, while the stock has declined from around 73 at the time the offer was made in April, 1930, to current levels of 28.

At the time of the exchange, the shares of Famous Players Canadian Corp. were traded in around 58. Today they have declined to approximately the same level as the Paramount shares though there is virtually no trading in the few shares left outstanding.

Gained Higher Return

When Paramount stock was given to Famous Players' shareholders, a higher return was obtained despite the fact that five shares of Famous Players had to be surrendered to get four shares of Paramount. The American stock was on an annual dividend basis of $4 a share while Famous Players disbursed $2 a share. Thus Famous Players' shareholders who took four shares of Paramount stock for five of their own received total dividends of $16 as against $10.

Now that the Paramount dividend has been reduced this gap has been eliminated and four shares now return $10—the same as the dividend on five shares of Famous Players.

While Famous Players' shareholders have sustained no loss in dividends the market value of their Paramount stock has declined in comparison with their original holdings. Four Paramount shares today are worth about $112 as against an approximate value of $140 for five shares of Famous Players.

Famous Players Canadian Corp. will close its fiscal year on January 3. The company's year formerly closed on August 31 and the last financial statement covered the 12 months ended August 31, 1930. It has been decided, however, to end the year coincident with that of the parent company, Paramount Publix; it is possible that an interim statement of earnings for the five months period from last September to January might be issued.

Profits May Be Lower

No current figures on earnings of Famous Players have been published. Indications are that profits have fallen of to some extent if the dividend action of the parent organization in the United States can be taken as a criterion.

Profits in the year ended August 30, 1930, set a new record for Famous Players. Net earnings from operations were $4,268,893 as compared with $3,376,845 in the previous year. After liberal write-offs and provision for all charges there remained a sum equal to $5.03 a share on the common stock. The sum of $1,024,277 was appropriated from surplus for contingencies and special depreciation leaving a net surplus of $3,217,681.

The balance sheet revealed an improvement. Bank loans of $500,000 had been eliminated and working capital was higher. Dominion and government bonds had been increased by over $300,000 to $338,557.

At the end of the fiscal year Famous Players Canadian Corp. owned, leased, controlled or was interested in 203 theatres in different parts of Canada. Over 90 per cent of the common stock is owned by Paramount Publix Corp.

Maritime Telephone Toll Traffic Light

From Our Own Correspondent

MONTREAL.—Maritime Telegraph & Telephone Co. reports the total volume of toll traffic completed for March was 89,330 calls. There were 95,529 calls in all, of which 6,199 were lost, making a completion record of 93.5 per cent. The average of completed out-calls per day during the month was 3,572.

The average percentage of completed toll tickets for Class A exchanges was 92.9 per cent and for Class B exchanges 94.1 per cent.

Bathurst Power Restarts Pulp Mill Operations

From Our Own Correspondent

MONTREAL.—Operations have been resumed at the pulp mill of Bathurst Power & Paper Co. Alterations are now being made to the plant preparatory to manufacturing kraft liner paper and the time required to obtain delivery of the necessary equipment and effect installations will be about three months.

Canada's Coal Conundrum Rapidly Solving Itself

Dependence Upon Foreign Supplies Dwindles as National Policies Begin to Shape Themselves

From Our Own Correspondent

OTTAWA.—Ten years ago there was a coal famine in Canada.

With this famine was born the "Canadian coal conundrum." Despite enormous coal resources, large areas of central Canada were entirely dependent upon the United States for fuel, and it became the problem of successive governments to remove from this Dominion the spectre of coal famine, to make us independent of foreign coal producers.

A Dominion Fuel Board was set up; policies were adopted and enforced. There has been little publicity given to the working out of these policies, no doubt because they were technical and complicated. But a profound change has been effected in the coal trade of Canada, until today, it may be said this Dominion is free from the shadow of coal famine. We are not yet self-supporting—that is true—but coal imports have been whittled down to the point where a stoppage of supply from the United States would no longer cause a national crisis.

Question of Economics

It has been demonstrated that Canada's coal conundrum resolves itself into a problem not of coal but of money. We can supplant United States coal with Canadian coal just as rapidly as Ottawa cares to put up the money. For the moment, Ottawa does not desire to spend large sums in this way. The Canadian coal policy has developed to a point where the machinery of trade is established, and consumption of Canadian coal could be vastly enlarged on short notice. The coal producers of Nova Scotia, Alberta and Wales could meet all Canadian demands in a matter of a few months—provided Ottawa would co-operate.

Present intentions at Ottawa are to proceed with the policy of supplanting United States fuel gradually. Ten years have served to banish possibilities of coal famine. Another decade will see an enormous reduction of imports from the United States.

Divisions of Problem

There are two phases to the coal problem. First, there is the division between industrial and domestic fuel — bituminous and anthracite. Second, there are the geographic divisions. Canadian coal occurs in the far west, Alberta and British Columbia, and in Nova Scotia. Welsh coal, of course, comes from across the Atlantic. The fuel policies, therefore, have been framed to deal separately with domestic and industrial fuel, and to enlarge, gradually, the markets contiguous to Canadian sources of supply. There has been a Western policy and an Eastern policy. The coal famine area—eastern Manitoba, Ontario and Quebec—has been invaded from both sides.

What has happened is revealed in these figures:

Coal Consumption

	1921	1928
	Tons	Tons
Canadian fuel	12,715,734	16,700,352
United States	18,300,081	16,515,149
Great Britain	1,591	682,755
	31,017,406	34,098,256

Over Half From Home

Complete consumption figures for 1930 are not yet issued. But imports from United States were 16,182,254 tons; from Great Britain, 900,000 tons. Total consumption is estimated at 35,500,000 tons, so that last year more than one-half of Canada's fuel market was supplied by Canadian coal.

It will be observed, further, that while consumption has grown with the country, imports from the United States have declined. And the nature of these imports, under pressure of Ottawa policy, has changed. Ten years ago we depended almost entirely upon United States' anthracite for the domestic fuel market of Central Canada. The coking policy, central heating and similar rationalization steps, have cut down the demand for United States anthracite from five or six million tons annually, to 2,965,254 tons in 1930. There will be a further drop next year.

Other economic forces, of course, have been at work. The huge increase in hydro-electric development—white coal—has been a factor, also oil burners. The coal trade has evidenced a tendency to abandon old routes, to feel out new ones, to force its way into new markets, thereby creating new ports and transportation facilities. The growth of Canada in the past five years, profoundly affected the old system of coal distribution.

Subventions on Freight

The Ottawa fuel policy is largely concerned with rail rates. The obstacle to supplanting United States coal is price. If consumers were not to bear the whole burden, the Government had to put up money by way of rate subventions.

Four such policies are now in effect. The through rates from Nova Scotia and Alberta to Central Canada have not moved much coal, and are not a factor in the success which has been achieved. The other two have brought good results. These are rate subventions from Alberta to Manitoba and northwestern Ontario, and from Montreal to points in Quebec and eastern Ontario.

Take the western area. The Federal treasury pays a subvention of ⅛ cent per ton-mile on all coal shipped from Alberta to the Manitoba and Northern Ontario area. On the average, this means $1.10 per ton. The area which this subvention is designed to win for Alberta and British Columbia operators uses, annually, about 1,500,000 tons of coal, including railway fuel, so that if imported fuel were completely ousted, the cost to the country would be approximately $1,650,000.

Helps Canadian Mines

Since its inception, this subvention has increased the consumption of Canadian fuel by about 200,000 tons. The tonnage will be 50 per cent greater next year, and will increase more gradually thereafter. This displacement has had a marked effect on the coal trade from the United States to the West.

Hitherto, Fort William has been the distribution point. A large coal tonnage has been carried annually by boat from United States ports on the lower lakes to Fort William. Thence it has been distributed, west, east and north, as required.

With the invasion of the western market by Alberta operators, the movement to Fort William has fallen away, and the city has ceased to be the most central point for distribution in the area still served from the United States.

Moves Boundary Eastward

A substantial part of the Winnipeg market already is served from Alberta, and in the future United States coal will be displaced in ever greater quantity. The Canadian Pacific Railway has shifted the eastern boundary for Western Canada coal from Winnipeg to Kenora. The National Railways are considering similar action.

The Canadian Pacific used to assemble coal at Fort William, because it was the most central point for distribution east and west. With the Kenora-Winnipeg division added to the West, this is no longer true, and the Canadian Pacific has changed their fuel supply base from Fort William to Jackfish, a town on the north shore of Lake Superior, 120 miles east of Fort William. Jackfish has a good harbor, adequate facilities have been provided, and this coal trade permanently is lost to Fort William.

Changes in Ontario

Then there are striking new developments in the northern Ontario coal trade. In the past, the area from Cochrane west, drew coal from Fort William. With the rapid growth of the newsprint and mining industry, however, and with the cutting and curtailment of demand for United States fuel in the Manitoba district, Fort William ceased to be the central point for distribution. A new port on Lake Superior—Michipicoten—has grown up to serve the northern Ontario market. In the last few years an investment of $500,000 has been made in coal handling facilities, a spur line has been built to connect the port with the Algoma steel company's line from the Soo to Hearst, and today Michipicoten has stolen no inconsiderable share of Fort William's coal trade.

In brief, the Ottawa fuel policy has wrought striking changes in the coal trade of the Middle West. These changes are in their early stages, and will become more pronounced, of greater significance as the trade channels wear deeper. Fort William's loss is compensated by the rise of two new ports on the hitherto undeveloped north shore.

Where Nova Scotia Stands

In Eastern Canada, the fuel problem is much the same, although conditions are different. The collieries of Nova Scotia are the source of supply, and for six months of the year there is all-water transportation to Montreal, in the heart of a large coal consuming area, hitherto dependent largely upon the United States. Nova Scotia, however, produces only bituminous coal. If used for coking, this coal offers an alternative, also, for United States anthracite, but in the main, Ottawa has sought to bring in Welsh anthracite to supplant the American product. True, the Federal coking policy has met with a degree of success, but not as great as was expected.

Ottawa relied upon rate subventions. The all-rail subvention, as already stated, has not achieved much of success. In 1930, only 61,123 tons were moved all-rail. The chief success has attended the water-rail movement. Coal is brought by water from Nova Scotia to Montreal. The water rate, of course, is very low. From Montreal, this coal must travel by rail, and Ottawa has granted a subvention of 1/5 cent per ton-mile. This averages, in practise, 27 cents per ton. The market which has been won is chiefly in Quebec, but includes, also, that part of eastern Ontario bounded on the west by Kingston and Ottawa.

Steal Former U. S. Trade

In 1930, 565,000 tons of coal were moved under the subvention. Adding the small all-rail movement, the total is 626,123 tons. All of this is new market for Nova Scotia collieries; all of it is a definite loss of market to United States producers.

Next year the tonnage will increase and, once the trade is established, will gradually gain in volume until all of this market has been captured for Canadian fuel.

The Welsh anthracite trade has also been encouraged. This coal, the finest in the world, enters under a low ocean rate at Montreal and is rapidly ousting United States anthracite from the eastern Ontario and Quebec field. Last year 900,000 tons of Welsh coal were imported.

Rapid development of the country, also, has contributed to the fuel policy. Hydro-electric power, today, displaces 30,000,000 tons of coal per year. With huge power developments under way, this displacement will increase rapidly in the next few years.

Then, too, city dwellers are turning to oil burners. The increase in oil burners in the past five years has been very remarkable, and in 1930, fuel oil displaced 2,900,000 tons of anthracite in Canada.

Central Heating is Factor

Some cities are going in for central heating, both as a public and private enterprise. The city of Winnipeg operates a central heating plant which serves 200 downtown office buildings, and uses, chiefly, off-peak hydro power to generate steam. This is a considerable displacement of coal. But, in addition, two private companies have gone in for residential central heating in Winnipeg, and today are serving approximately 1,000 homes. These

(Continued on page 13)

LAWRENCE FLOUR MAINTAINS SALES IN EXPORT MART

Business This Year Compares Favorably With 1930

From Our Own Correspondent

MONTREAL.—Business of St. Lawrence Flour Mills Co. is well maintained and though no figures have been published it is reported that sales and earnings compare favorably with those of last year to date.

Export sales have increased during the current period and an increase of about 25 per cent recorded a few months ago is understood to have been maintained. The increase is a reflection of the conformity of Canadian wheat prices to world wheat prices as opposed to the difference which existed in 1930.

The company's plant is located in Montreal and comprises a flour and feed mill with a capacity of 2,700 barrels a day. Principal markets are in Newfoundland, the Maritimes and Quebec.

Operates On Smaller Scale

St. Lawrence is a small operator as compared with the Big Four of the milling industry; but it survived the onslaughts of the dropping wheat market with less difficulty than its larger confrères. Balance sheet position at the end of last year was maintained and working capital strengthened.

Fiscal year closes August 31. Earnings last year showed a decline from the previous period but were sufficient to cover preferred dividend requirements of $40,250 by a margin of $37,274. There remained a sum equal to $3.11 a share on the common. This compared with $6.20 a share in the previous year.

St. Lawrence Flour Mills has paid its preferred dividends without interruption since 1914 though disbursements on the common have been discontinued since 1925. In the six years previous to that date regular payments were made on the common totalling as much as 20 per cent in 1920.

The stock, which is listed on the Montreal Stock Exchange seldom makes its appearance in trading. Latest quotations are in the region of 20 while the preferred has changed hands in the neighborhood of 80.

Trade With Empire Favored Canada

Canada's exports to nations within the British Empire totalled $292,884,145 in the fiscal year ended March 31, 1931, while imports from these countries amounted to $204,935,079. This favorable trade balance was due almost entirely to trade with Great Britain, to whom Canada shipped goods to the value of $219,246,499 as compared with receipts of $149,488,457.

Great Britain ranked second only to the United States as Canada's best customer; New Zealand, Newfoundland, British South Africa and Australia ranked in that order. Canada bought more goods from Great Britain than any other country in the Empire, with British India second, followed by New Zealand, Jamaica and Australia.

Better Business Bureau Will Expand in Toronto

The Toronto Better Business Bureau is completing its first year of active operation and plans are being laid to extend the scope of its activities to include membership of manufacturers, retailers, wholesalers and insurance companies. Within the next year it is proposed to increase membership to around 1,000.

Incorporated in 1928, the bureau took over offices of its own on July 1, 1930, with C. J. Brawley as manager and secretary. During the past year activities have been confined to financial and allied fields. Members at the present time include all members of the Toronto Stock Exchange and the Standard Stock & Mining Exchange, the majority of members of the central section of the Investment Bankers' Association and Toronto representatives of members of the New York Stock Exchange as well as practically all of the chartered banks.

On the basis of the proposed programme of expansion the work of the bureau will be gradually extended and the work will be handled by separate divisions. Many of the activities carried on are of interest to all members while other activities are of special interest only to certain groups. The directors of the Toronto Better Business Bureau are T. Frank Matthews, C. E. Abbs, F. J. Coombs, J. G. Weir and R. T. Stanley.

SURPLUS REDUCED OF EASY WASHING; OUTLOOK BRIGHTER

Canadian Westinghouse Co. Arranges to Merchandise Product

SELLING WHOLESALE

Dropping Sales Direct to Consumer as Retail Outlets Increased — Working Capital Maintained

Easy Washing Machine Co., whose operating losses and heavy write-offs reduced surplus in 1930 from $182,252 to $61,071, announces arrangements for expanding retail outlets for its products in 1931 which it hopes will have a considerable effect on future sales.

Vexatious credit and collection problems have been eliminated as a result of the policy of changing over from the former system of selling direct to the consumer to the present one of selling mainly through dealers, it is stated. C. B. Owens, general manager, reports in particular a merchandising arrangement with Canadian Westinghouse Co. whereby the latter has adopted the Easy Washing Machine "to fill out its complete line of household appliances that it is merchandising throughout Canada." He estimates that it will ultimately be operating through 2,000 retail outlets and that this arrangement should in the end add several thousand units to the sales made through the Easy Washing Machine Co. sales organization.

Sales in 1931 have been very encouraging since March 1 and progress in sales and reduction of costs leads the management to hope that 1931 operations will not further reduce surplus.

Sales Were Lower

This is a comparatively cheerful picture after the unsatisfactory results of 1930. Expenses were substantially reduced in that year but sales were off as a result of the depression. Before the depression the company found that 75 per cent of the demand was for the higher-priced machines but as a result of the depression the demand for these machines became about 25 per cent

(Continued on page 13)

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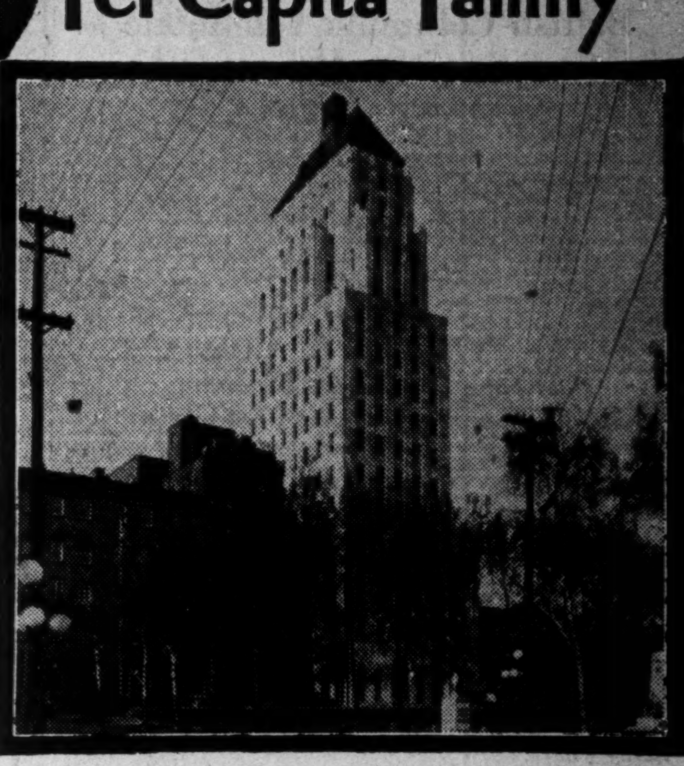

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING MAY 18

Range 1931 High	Low	Divd. Rate	Yield % May 16		Close May 11 (or last)	Week Ending May 18— High	Low	Close
[illegible]								

x Quotations for 1930. No sales recorded in 1931 to date.
a Stock dividend.
b New York quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.

Winnipeg Stock Exchange

May 11

	Bid	Ask
Beaver Fire	..	120
Beaver Lumber c.	..	19
Do., pref.	90	100
Can. Amer. Tr. shs.	..	590
Can. Fire Ins.	..	85
Can. Indemnity	126	..
Crescent Creamery	90	..
Gt. West Life	..	510

	Bid	Ask
Home Investment	50	..
Monarch Life	..	32
North. Can. Mtg.	..	25
Northern Trust	..	40
Traders Bldg.	87	..
Un. Gr. Growers	12½	..
West. Breweries	[illegible]	[illegible]

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	105	105.50	3.20
Dominion of Canada 5½/34	105.	105.50	3.80
Dominion of Canada 5 /43	105.75	106.50	4.30
Dominion of Canada 4½/46	102.	102.50	4.28
C. N. R. 4½/43 (Dom. of Can. Guar.)	101.75	102.75	4.30
C. N. R. 5 /54 (Dom. of Can. Guar.)	106	107.	4.55
C. N. R. 4¾/55 (Dom. of Can. Guar.)	103.75	104.50	4.48
C. N. R. 4½/56 (Dom. of Can. Guar.)	102	102.75	4.35
C. N. R. 5 /69 (Dom. of Can. Guar.)	107.50	108.50	4.55
Province Ontario 4½/44	100.75	102.50	4.30
Province Ontario 5 /48	106.	107.	4.48
Province Ontario 4½/70 (Hydro)	103.75	104.50	4.50
Province Quebec 4½/50	101.50	103.	4.20
Province Quebec 4½/56	101.50	103	4.20
Abitibi Power & Paper 5/53	50.	52	11.00
Algoma Steel Corporation 5/62	50.	55.	8.35
Argentine Govt. 6/58 Ser. B	82.	83.	7.80
Bell Telephone Co. of Canada, 1st. 5/57	105.	106.50	4.55
Brazil, U.S. Ext. S. F. 6½/57	49.	52.	12.00
British American Oil 5/45	96.	99.	5.10
British Columbia Power 5½/60	103.	104.	5.25
British Columbia Telephone 5/60	99.75	101.	4.95
Calgary Power 5/60	96.	97.	5.20
Canada Cement, 1st Mtge. S. F. 5½/47	100.	102.75	5.30
Canada Northern Power 5/53	90.	93.	5.55
Canada Light & Power 1st, S. F. 5/49	95.	98	8.15
Canada Steamship Lines, 1st & Gen 6/41	58	62.	12.00
C. P. R., Collateral Trust 5/54	104	105.50	4.60
C. P. R. Secured 4½/44 Notes	98	100	4.50
Chile Republic Ext. S. F. 6/60	66	68.	9.00
Columbia, Republic Ext. S. F. 6/61	56.	59.	10.00
Davies, Wm. 6/42	94.	96.	6.35
Dominion Steel Corporation 6/39	82.	85.	9.50
Dominion Square Corporation 6/48	78.	82.	7.90
Dominion Tar & Chemical 6/49	101.50	103.	5.70
Dominion Textile 6/49	105.50	107.	5.35
Duke Price Power 1st, 6/66	104.50	106.	5.60
Eastern Dairies, Convertible 6/49	98.50	101.	5.90
Eaton, T. Realty, 5/49	95.	97.	5.25
Foreign Power Securities Corp. 6/49	88.	93.	6.68
French National Mail Ext. S.S. F. 6/52	104.	106	5.50
Gatineau Power, 1st Mtge. 5/56	90.	93.	5.55
Gatineau Power, S. F. Debs, 6/41	82.	86	6.10
Howard mith Paper Mills 5½/53	60	65.	8.50
Manitoba Power, 1st, S. F. 5½/51	90.	93.	6.08
Massey Harris, 1st Mtge. 5/47	57.	62.	8.50
MacLaren Quebec Power 5½/61	94.	96.	5.78
Montreal Coke, 1st, S. F. 5½/47	102.50	103.50	5.15
Montreal Island Power 5½/57	100.25	102.	5.35
Montreal Light, Heat & Power 5/51	105.	106.	4.55
Montreal Tramways 1st, Coll. Trust 5/41	101.	102.	4.75
Montreal Tramways Gen. Ref. 4½/55	85.	90.	5.20
Montreal Tramways 5/55	94.75	95.50	5.40
Moodie, J. R. 6/48	97.	100	6.00
Nova Scotia Steel & Coal, 1st 5/59	58	64.	8.50
Nova Scotia Steel & Coal 6% Debs.	30.	40	....
Ogilvie Flour Mills 6/32	100.50	102	4.60
Ontario Power Service 5½/50	80.	85.	6.70
Power Corporation of Canada 4½/59	85.	89.	5.25
Price Bros. 1st, S. F. Ser. "A" 6/43	97.	99.	6.10
Quebec Power 1st, Mtge. Coll. S. F. 5/68	102.50	104.	4.75
Shawinigan Water & Power 4½/70	96.70	98.50	4.60
Shawinigan Water & Power 5 /70	104.50	105.	4.72
Simpsons 6/49	99.50	101.	5.90
Southern Canada Power 1st, 5/55	101.75	102.75	4.80
United Securities Coll. Trust 5½/52	101	102.	5.30
West Kootenay Power 5/56	99.75	101.	4.90
Windsor Hotel 6½/43	102.50	104.50	5.90
Windsor Hotel 6 /47	96	100.	6.00
Winnipeg Electric 5/35	99.	100.	4.85
Winnipeg Electric 6/54	90.	95.	6.40

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Agnew Surpass pfd.	7%	1¾%	July 2	June 15
Bk. Can. Nationale	10%	2½%	June 1	May 15
Bank of Montreal	12+2%	3%	June 1	Apr. 30
Bank of Nova Scotia	16%	4%	July 2	June 15
British Amer. Oil	80c	20c	July 2	June 13
Bk. of Toronto	12+1%	3%	June 1	May [illegible]
Brazilian Tr.	...	*Stk. div.	June 1	Apr. [illegible]
Belding Corticelli pfd.	7%	1¾%	June 15	May [illegible]
Building Products "A"	$2	50c	July 2	June [illegible]
Can. Wire & Cable "A"	$4	$1	June 15	May [illegible]
Do.	...	$1	Sept. 15	Aug. [illegible]
Do.	...	$1	Dec. 15	Nov. [illegible]
Can. Wire & Cable "B"	$1.75	43¾c	June 15	May [illegible]
Canada Vinegars	$1.60	40c.	June 1	May [illegible]
Can. Bank of Commerce	12+1%	3%	June 1	Apr. 30
Canadian Oil, pref.	$8	$2	July 1	June 20
Can. Hydro Elec. pfd.	6%	1½%	June 1	May
Canadian Car, ord.	$1.75	44c	May 30	May 15
Canadian Car, pref.	$1.75	44c	July 10	June 25
Can. Intern. Invest. pfd.	5%	1¼%	June 1	May 15
Cosmos Imperial pfd.	7%	1¾%	May 15	Apr. 30
Can. Pacific Rly. ord.	5%	1¼%	June 30	June 1
Can. Cotton, pref.	6%	1½%	July 4	June 20
Crow's Nest Coal	$3	75c	June 1	May 8
Canada Cement, pref.	6½%	1⅝%	June 30	May 30
Canada Permanent Mtge.	12%	3%	July 2	June 15
Canada Paving, pref.	7%	1¾%	June 1	May 15
Dominion Textile	$5	$1.25	July 2	June 15
Do., pref.	7%	1¾%	July 15	June 30
David & Frere "A"	$2.25	57c	June 15	May 30
De Forest Crosley	...	†20c	June 1	May 15
East Koot. Pr. pref.	7%	1¾%	June 15	May 30
Eastern Theatres, com.	$2	50c	June 1	Apr. 30
Ford Motor	$1.20	60c	June 20	May 29
Ham. United Theatres, pfd.	7%	1¾%	June 30	May 30
Inter. Milling 1st pfd.	7%	1¾%	June 1	May 20
Do., Series "A" pfd.	6%	1½%	June 1	May 20
Inter. Nickel, com.	60c	15c	June 30	June 1
Imperial Oil	50c	12½c	June 1	May 15
Inter. Petroleum	$1	25c	June 15	May 30
Inter. Proprietaries "A"	$2.60	65c	June 15	May 25
Jam. Public Ser. Ltd.	$1	25c	July 2	June 15
Jam. Public Ser., pref.	$7	$1.75	July 2	June 15
Lake Shore Mines	$1.20	30+30c	June 15	June 1
Loblaw Grocet. "A" & "B"	80c	20c	June 1	May 12
Laura Secord, c.	$3	75c	June 1	May 15
Lake of Woods pref.	7%	1¾%	June 1	May 16
Legare, P. T., pref.	7%	1¾%	June 1	May 15
Lindsay's	$1	25c	June 1	May 15
Do., pref.	6½%	1⅝%	June 1	May 15
London Can. Invest. pfd	5%	1¼%	June 1	May 15
Morrison Brass, pfd.	7%	1¾%	June 1	May 15
McIntyre Mines	20%	5%	June 1	May 1
McColl Frontenac, com.	60c	15c	June 15	May 15
Mercury Oils	...	5c	July 2	June 15
Montreal Cotton	6%	1½%	June 15	May 30
Do., pref.	7%	1¾%	June 15	May 30
Montreal Loan	12+1%	3%	June 15	May 31
New Method Laundry pfd.	6½%	1⅝%	June 1	May 23
N. S. Light, pref.	6%	1½%	June 1	May 16
Ogilvie Flour pref.	$7	$1.75	June 1	May 20
Photo Engravers	$2	50c	June 1	May 15
Power Corp. com.	$2	50c	May 20	Apr. 30
Provincial Bank	9%	2¼%	June 1	May 15
Reliance Grain, pref.	6½%	1⅝%	June 15	May 31
Rogers-Majestic "A" & "B"	$1.20	30c	June 1	May 18
Rolland Paper pfd.	6%	1½%	June 1	May 15
Royal Bank	12+2%	3%	June 1	Apr. 30
Simon, H. & Sons	$2.50	62½c	June 1	May 20
Do., pref.	$7	$1.75	June 1	May 20
Sher. Williams	$1.60	40c	June 30	June 15
Do., pref.	7%	1¾%	June 30	June 15
Standard Steel pref. "A"	$3	75c	July 1	June 15
Union Natural Gas	$1	25c	June 10	May 30
Windsor Hotel, pref.	6½%	1⅝%	June 1	May 15
Walker, Hiram	50c	12½c	June 15	May 22
Wellington Oil & Gas	...	5c	....	May 15

*One share for each 50 shares held. †Extra dividend.

Winnipeg Grain Prices

Week to May 19

Crop Year from Aug. 14 High	Low		Open May 13	High for week	Low for week	Close May 19
		Wheat				
1.12⅞	.52½	May	.63	.63⅝	.58¾	.59⅝
.77¼	.54	July	.64½	.64⅝	.59⅞	.60⅝
.70¾	.57⅞	October	.65⅝	.66⅛	.63⅜	.62½
		Oats				
.52	.26⅜	May	.29⅜	.29⅜	.28	.28⅛
.33½	.26⅜	July	.30	.30	.28⅛	.28½
.34⅛	.27¾	October	.31½	.31⅝	.29½	.29⅞
		Barley				
.49	.27⅞	May	.32	.32⅝	.31⅛	.31¼
.33⅛	.28¼	July	.32¾	.32⅞	.31⅛	.31¾
.35	.25½	October	.34⅛	.34⅝	.32½	.32¾
		Flax				
1.32½	.94¼	May	1.08	1.08¼	1.05¾	1.06¼
1.11	.95½	July	1.10¼	1.10¼	1.07	1.07¾
1.13¾	.99½	October	1.12¾	1.13¾	1.10¼	1.11
		Rye				
.71	.25⅛	May	.37⅛	.37¼	.34⅜	.34½
.75	.25⅛	July	.38	.38⅝	.35	.35⅞
.40⅛	.31⅜	October	.40	.40¼	.37⅛	.38

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week of May 19

High to date*	Low to date*		Close May 12	High for week	Low for week	Close May 19
		Wheat				
.67¾	.59⅞	May	.66⅝	.65⅝	.63⅛	.....
.68⅞	.61¼	July	.67⅞	.68½	.63½	.64½
.70¼	.63½	October	.69⅝	.70	.65⅝	.66½

*Since trading opened March 3, 1931.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)
May 19, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar pfd.	2.05	....
Allens London pfd.	31.00	....
Andian Nat'l Corp.	24.00	27.50
Brand.-Hend. com.	....	26.00
Brewing Corp. of Can. com.	....	1.25
Brewing Corp. of Can., pfd.	8.00	11.00
B.C. Pulp & Paper com.	1.75	....
B.C. Pulp & Paper 7% pfd.	45.00	55.00
Canada Biscuit pfd.	....	10.00
Can. Crush. Stone pfd.	....	78.00
Can. Dom. Sugar c.	15.00	18.00
Can. Mach. com.	6.00	10.00
Can. Mach. 7% pfd.	....	29.00
Can. Packers c.	16.50	19.50
Can. Pack. 7% pfd.	94.00	97.00
Can. Starch pfd.	70.00	....
Can. Wire & Cable pfd. W.W.	100.00	....
Can. Indust. c. "A"	125.00	135.00
Can. Indust. c. "B"	125.00	135.00
Can. Ind. 7% pfd.	122.00	....
Can. Investors c.	10.00	14.00
Can. Westinghouse	....	72.50
Chase, A. W. 8% pfd.	43.00	48.00
Clifton Co. Ltd.	....	131.00
Cons. Oka Sand & Gravel com.	4.00	7.00
Copeland Flour 6% pfd.	....	16.00
Dom. Alloy Steel, 8% pfd.	1.00	2.00
Dom. Foundries & Steel pfd.	65.00	70.00
Dom. Foundries & Steel com.	8.75	11.50
Dom. Mfrs. pfd.	70.00	....
Dunlop Tire 7% pf.	....	101.00
Eastern Car 6% pf.	60.50	....
Eastern Dairies 7% pfd.	96.00	100.00
Edmonton Stk. Yds. pfd. bonus	....	76.00
Goderich Elev. & Transit	15.00	17.50
Greening Wire 7% pfd.	90.00	97.50
Guardian Realty pf.	52.00	....
Harding Carp. pfd.	....	68.00
Inter-City Bak. c.	45.00	....
Inter. Propriet. "A"	....	34.00
King Ed. Htl. "A"	....	24.50
Loew's London c.	1.00	2.00
Loew's London 7% pfd.	3.10	4.75
Morrow Screw Nut 7% pfd.	94.00	96.00
Nat. Grocers c.	1.00	....
Nat. Grocers 2nd 7% pfd.	43.00	50.00
Para. Oshawa c.	10.00	....
Prov. Paper pfd.	....	85.00
Rolland Paper pfd. bonus	56.00	63.00
Stand. Clay Prod. c.	26.00	....
Standard Fuel pfd. bonus	77.50	....
Supertest Petroleum "B" pfd.	18.50	24.00
Toronto Brick pfd.	65.00	....
Toronto Carpet c.	111.00	....
Toronto Carpet 8% pfd.	98.50	....
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	29.00	....
United Amuse. "A"	26.00	....
Willards Choc. 8% pfd.	....	60.00
Willards Choc. c.	....	4.50
Insurance Stocks:		
Br. Amer. Assce.	50.00	....
Canada Life Assce.	700.00	....
Canada Nat. Fire	27.00	32.00
Can. Fire Insur.	77.00	87.00
Capital Life 20% pd.	....	24.00

	Bid	Asked
Commercial Life 10% pd.	....	25.00
Confed. Life 20% pd.	250.00	....
Continental Life 20% pd.	70.00	....
Crown Life	250.00	....
Dominion Fire	100.00	127.50
Dom. of Can. Gen.	215.00	....
Dom. Life 50% pd.	340.00	400.00
Excelsior Life 30% pd.	115.00	130.00
Fed. Fire 25% pd.	32.00	....
Fidelity Ins. of Can.	....	125.00
Great West Life	475.00	530.00
Guar. Co. of N. A.	245.00	....
Imperial Life	400.00	....
Mfrs. Life	300.00	....
Monarch Life 10% pd.	22.00	31.00
Nat. Fire 25% pd.	115.00	130.00
Saskatchewan Life 10% pd.	13.00	20.00
Sovereign Life 25% pd.	29.00	32.00
Sun Life Assur.	1200.00	1400.00
Western Assur. c.	43.25	....
Western Life 20% pd.	10.00	....
Trust & Loan Stocks:		
Br. Mtg. & Trust	170.00	....
1st Can. Gen. Invest. Trust	....	45.00
2nd Can. Gen. Investments	....	12.50
Chartered Trust	101.00	114.00
Commercial Fin. pf.	48.00	56.00
Commercial Fin. c.	4.00	....
Deb. & Sec. com.	70.00	....
Deb. & Sec. pfd.	60.00	70.00
Guelph & Ont. Inv. par $50	60.00	66.00
Lambton Loan & Savings	73.00	....
London & Western Trust	....	170.00
Midland Loan & Savings	18.00	24.00
Mtge. Disct. pfd.	3.75	4.75
Mutual Finance pfd.	....	6.50
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust	112.00	....
Sterling Trust	86.00	....
Traders Fin. "A" pfd.	....	80.00
Traders Fin. "B" pfd.	....	80.00
Traders Fin. c.	....	14.75
Trusts & Guarantee	85.00	90.00
Waterloo Trust & Savings	120.00	....
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	103.00	105.50
Calgary Pwr. pfd.	91.00	98.00
Can. Light & Pwr. com.	....	40.00
Can. Northern Pwr. pfd.	105.00	109.00
Can. West. Nat. Gas LH&P com.	50.00	....
Can. West. Nat. Gas LH&P pfd.	87.00	92.00
East Kootenay Pwr. pfd.	96.00	....
Gt. Lakes Pwr. pfd.	93.00	97.00
N.B. Pwr. 1st pfd.	58.00	....
N.S. L&P pfd.	92.00	96.00
Ottawa LH&P 6½% pfd.	102.50	....
Power Corp. 6% pfd.	98.00	102.00

Recent London Quotations:

Brewer Distillers	4s. 3d.
Can. & For. Sec.	8s. 9d.
Can. West. Lumber	2s. 3d.
Hudson's Bay	28s. 9d.
Do., 5% pfd.	67s. 6d.
Internat. Holdings	2
Nfld. Pr. & Pap. deb. stk.	106

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co. Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	4½	1 Oct., 1958	1 Oct.	97.58	4.66
Alberta	5	1 Jul., 1943	1 July	102.58	4.70
Alberta	6	1 Apr., 1936	1 Oct.	105.50	4.75
British Columbia	4½	1 Oct., 1958	1 Oct.	99.75	4.51
British Columbia	5	15 Jan., 1948	15 July	104.65	4.60
British Columbia	6	15 Aug., 1941	15 Aug.	111.12	4.65
Manitoba	4	1 Jul., 1947	1 July	93.67	4.55
Manitoba	5	2 Jun., 1959	2 June	103.50	4.76
Manitoba	5	15 Jun., 1943	15 June	103.77	4.60
New Brunswick	4½	1 Jun., 1948	1 June	100.25	4.48
New Brunswick	4¾	15 Jun., 1936	15 June	101.21	4.50
New Brunswick	6	1 Jan., 1936	1 July	106.42	4.55
Nova Scotia	4½	15 Nov., 1948	15 Nov.	99.75	4.60
Nova Scotia	5	1 May, 1943	1 Nov.	104.74	4.50
Nova Scotia	6	1 Nov., 1936	1 Nov.	106.99	4.55
Ontario	4½	1 Sep., 1944	1 Sept.	101.00	4.40
Ontario	5	15 Oct., 1948	15 Oct.	106.50	4.46
Ontario	6	2 May 1936	2 Nov.	106.88	4.45
P. E. I.	4	1 Apr., 1939	1 Oct.	95.70	4.65
P. E. I.	4½	1 Oct., 1944	1 Oct.	100.00	4.50
Quebec	4½	1 Jun., 1946	1 June	99.45	4.55
Quebec	5	1 Mar., 1964	1 Sept.	109.47	4.45
Saskatchewan	4½	1 Oct., 1944	1 Oct.	98.02	4.70
Saskatchewan	5	1 Oct., 1950	1 Oct.	104.31	4.65
Saskatchewan	6	1 Feb., 1936	1 Aug.	104.38	4.80
Cities					
Montreal	5	1 Sep., 1963	1 Sept.	106.50	4.57
Toronto	4½	1 Sep., 1954	1 Sept.	101.40	4.40
Vancouver	4	1 Aug., 1946	1 Aug.	93.40	4.60
Winnipeg	5	1 Mar., 1944	1 Sept.	103.39	4.65
Windsor	5	1 Dec., 1937	1 June	101.00	4.80
Edmonton	5½	1 May, 1945	1 Oct.	105.11	5.00
Calgary	6	1 Jan., 1943	1 July	100.46	4.95
Halifax	5	1 Jul., 1951	1 July	103.92	4.70
St. John	5	15 Dec., 1950	15 June	103.80	4.70
Regina	4½	1 Jul., 1950	1 July	95.62	4.85
Victoria	5	21 Jul., 1945	21 July	102.07	4.80

Listed Bond Quotations

Week Ending May 18

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
Abitibi, 1st Mtge.	5	1953	10.42	53	...	...	78	53⅛
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st Mtge.	6	1941	...	†14	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x104⅝	102½
Can. Cottons	5	1940	6.32	†86	...	...	91	...
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	65	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	†7	7⅛	7	28½	5
Do., (Way. ser.)	5½	1958	...	†6¾	7	...	28½	6
Can. S.S. deb.	5	1943	...	†99	...	...	x98¼	94
Cedars Rapids	6	1953	4.78	105	105	101	105	101
Dom. Canners	6	1940	..	†104⅛	...	...	x108	...
Dom. Coal	5	1940	...	†98⅛	...	...	x97¾	95⅝
McNish	6	1948	...	3.25	2.25	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	78¼	70¼
Mont. L. H. & Pr.	4½	1932	...	†100	...	...	x100	98⅝
Mont. Tr. 1st mtge.	5	1941	4.84	†100⅝	101½	101	101½	99⅛
Mont. Tr. "A"	5	1955	5.37	†94¾	95	94	95½	91
Mont. Tr. G.&R. 'B'	5	1955	5.39	†94¾	94¾	...	94¾	91¾
Do., "C"	4½	1955	5.64	†84	...	...	86	84
Do., "D"	5	1955	5.39	†94¾	94¾	...	95¼	92½
N. S. Steel	5	1959	9.03	...	59	...	62⅝	58
Ogilvie Flour "A"	6	1932	6.00	†100⅝	...	...	100½	100
Do., "B"	6	1932	5.47	†100⅝	...	...	x100⅝	100
Do., "C"	6	1932	...	†100⅝	...	...	x103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.79	†92½	...	...	93	92
Steel of Can.	6	1940	5.08	†106⅝	106⅞	106¾	107½	106⅝
Wayagamack	6	1961	...	65	45	...	75	45
West. K. Pr.	6	1940	5.15	†109¾	...	...	106	...
Winn. Elec.	5	1935	...	†98¾	...	...	x98⅛	...
Toronto								
Canada Bread	6	1941	5.86	†101	101	...	101	...
Postal Tel.	6	1953	...	...	...	...	x95	88¾
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	1.00	†101.65	101.70	101.50	101.70	100.00
Do.	5	1937	3.42	108.20	108.15	107.90	108.15	104.00
Victory Loan	5½	1933	3.19	105.15	105.05	104.20	105.25	103.00
Do.	5½	1934	3.90	†105.05	105.20	104.70	105.25	102.95
Do.	5½	1937	3.36	112.10	112.15	112.00	112.15	107.05
Do., refund	4½	1940	4.30	†101.75	101.50	....	101.55	99.40
Do., refund	5	1943	4.40	†105.75	105.90	105.70	105.90	103.35
Do., refund	4½	1944	4.30	†101.80	.....	.....	101.80	99.45
Do., refund	4½	1946	4.27	†101.90	.....	.....	101.75	99.70
Do., renewal	5½	1932	3.10	103.20	103.10	102.85	103.10	101.55

†—Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

PHOTO ENGRAVERS HAS LARGE PLANS, IS EXPANDING NOW

R. Simpson Co. Contract Arranges Extended Work For 10 Years

EARNINGS KEEP UP

Annual Report Shows Profits But Little Lower Than in 1929—Working Capital Stronger

Though shareholders of Photo Engravers & Electrotypers will naturally be interested in the annual financial statement of the company for the year ending February 28, 1931, because it shows earnings of $2.95 a share on 30,000 no par value common shares as compared with $3.19 a share in the preceding year, greater interest still will be given to the remarks of the president, W. T. Northgrave, concerning the "contract of fundamental importance" entered into with the Robert Simpson Co.

The arrangement is to do the Robert Simpson Co.'s art work, engraving, and printing for a period of ten years. Mr. Northgrave expects this contract to have a highly stabilizing influence on the business. It will be practically continuous. Part of the new equipment is now installed and all of it will be by June 1, the date of the annual meeting. In view of plans by the Robert Simpson Co. for turning its mail order catalogue into a magazine to be published six times a year, the amount of work which will come to Photo Engravers from this contract will be far beyond anything which a year ago could have been anticipated by the company for a long time to come.

While sales and net profits were a little lower than in 1929 the company improved its financial position. Current assets of $275,581 were 6.14 times current liabilities of $44,834 whereas a year earlier current assets of $245,261 were 4.34 times current liabilities of $56,541. Working capital therefore increased during the year from $188,720 to $230,747.

Cash grew during the year from $115,250 to $155,969, accounts receivable dropped from $102,250 to $84,540, inventories fell from $27,761 to $24,606, and there was a new item of $10,466 for the cash surrender value of life insurance.

Fixed assets of $451,080 includes an amount of $26,730 which had already been expended at the end of February on account of plant extensions contemplated by the contract with Robert Simpson Co. The surplus is shown at $136,498 after taking into account the surplus for the year of $28,660.

The total reserve for depreciation now stands at $127,353.

INCOME AND SURPLUS ACCOUNT

	1931 $	1930 $	1929 $
Total sales	794,194	905,982	830,592
Net earnings	125,798	134,165	133,954
Less: Deprec.	29,623	29,324	28,032
Income tax	7,515	9,145	11,231
Net profit	88,660	95,696	94,691
Less appropriations: Dividends	60,000	60,000	60,000
Surplus for year	28,660	35,696	34,691

Working Capital

	1931	1930	1929
Current assets	275,581	245,261	185,331
Current liabilities	44,834	56,541	46,298
Working capital	230,747	188,720	139,033
Ratio	6.14—1	4.34—1	4.00—1

PREFERENCE STOCK OF LAURA SECORD HAS DISAPPEARED

Next Financial Statement Will Show Common Alone Outstanding

Laura Secord Candy Shops 7 per cent cumulative convertible preferred stock of $100 par value, which stood at $750,000 in 1927, has now finally been extinguished. It is understood that the quarterly financial statement at the end of June will show the sole security of the company outstanding to be 57,476 no par value common shares outstanding. At the end of the company's fiscal year on Sept. 30, 1930, there had been only $1,200 of preferred stock still outstanding.

The disappearance of the preferred stock has been occasioned by the progress of the company, coupled with the fact that each share of preferred stock was convertible into three shares of common stock. As the dividend on common stock was increased from $2 a share to $3 a share on Nov. 4, 1929, the movement to convert, in order to get $9 for every $7 formerly obtained, was rapid. It was accelerated by the action of the company in calling the balance of the outstanding preferred stock for redemption on April 15, 1930. All but $1,200 had been exchanged by September 30, but it has been a slow job bringing in these 12 shares.

With the preferred stock out of the way, the market position of the common stock will now be a simple matter of the stock's relation to earnings of the company. The effect of conversion in increasing the number of shares to participate in earnings will no longer be a factor. Earnings in the year ended Sept. 30, 1930, were $6.56 a share and $7.22 a share in the year before that. Actual net profit available in 1930 was larger but the increase in number of shares brought down the total for each share. That can no longer occur.

The company has worked its financial position up to one of great strength and liquidity, ample reserves have been set up for depreciation, and though there was a decrease in its surplus in the course of the quarter ending March 31, 1931, that surplus was still considerably above the total of $788,427 shown on Sept. 30, 1930.

Sales were less in the first half of the current fiscal year than in the corresponding period of the previous year but the directors express confidence that the earnings position is being maintained.

CANADA'S COAL CONUNDRUM RAPIDLY SOLVING ITSELF

(Continued from page 11)

plants use steam coal, against the domestic coal necessary for residential furnaces.

The changes in the coal trade have been profound. They have taken place so gradually that few, apart from those in the business, have realized their importance. Ten years ago, Canada, apart from the far east and west, was wholly dependent upon the United States for coal. The Manitoba market, for example, was served entirely by Pennsylvania hard and soft coals.

Could Even Serve Ontario

Today, Alberta is winning the market from Kenora west, and is gradually coming eastward to Fort William. Nova Scotia is invading successfully, the market of Quebec and eastern Ontario for steam coal. United States anthracite in this area is being supplanted by Welsh anthracite.

There remains central Ontario, the most densely populated and highly industrialized area of the Dominion. Here, hydro power, coke, and oil burners are playing a large part. And if the change to Canadian fuel had to be made, owing to stoppage of supply from the south, the Government could do so. The Nova Scotia and Alberta operators through the gradual progress made in recent years, know the market and could meet its demands.

Apart from rate subventions and the fuel policy, the Federal Government in recent weeks has placed definite obstacles in the way of slack and run of mine coal from the United States. Fixed valuations of $1 per ton slack and $1.25 per ton run of mine, have been declared. Coal of this type often is laid down by United States operators at Canadian ports at 50 cents to 75 cents per ton. This measure will increase the cost of this coal to southern and central Ontario, but will further extend the markets of Alberta and Nova Scotia.

It is another step in the policy of banishment of the shadow of dependence upon foreign coal supplies.

Montreal Lists Brazilian Stock
From Our Own Correspondent

MONTREAL.—There will be listed on the Montreal Stock Exchange, on official notice of issuance, 132,437 additional ordinary shares of no par value, Brazilian Traction Light & Power Co.

Southwest Petroleum Meeting

Southwest Petroleum Co., operating in Turner Valley, Alta., but which has its head office in Toronto, has called a meeting of shareholders to be held in Toronto, May 23.

Montreal Debenture Plans Reorganization

Montreal Debenture Corp. shareholders are being called to a special general meeting on May 18, 1931, at noon at the head office of the company, Room 1,210 Royal Bank Building, 360 St. James St. West, Montreal, to consider a proposal for reorganizing the company by incorporating a new company to take over all the assets and assume all the liabilities of the present company.

The proposal is that the stock of the new company shall consist entirely of no par value common stock without voting power and of five management shares. Authorization for two bond issues to exchange for securities of the present company will be asked. The new common stock will be issued share for share to present holders of common stock.

SURPLUS REDUCED OF EASY WASHING; OUTLOOK BRIGHTER

(Continued from page 11)

of the total. Profit margins are smaller on the lower-priced machines. There were also difficulties inherent in getting into production on new models.

The net loss was $121,011 after various write-offs but before preferred dividends. Only $6,956 was paid in preferred dividends as compared with $57,547 in the preceding year and if dividends remain unpaid until July, 1931, preferred shareholders will then have the right to elect the board of directors.

Working Capital Maintained

Working capital has been well maintained, current assets of $971,543 being 2.16 times current liabilities of $448,485 whereas a year earlier current assets of $1,123,019 had been 2.25 times current liabilities of $499,830. Working capital therefore dropped during the year from $623,189 to $523,058. Trade accounts receivable advanced in 1930 from $40,025 to $86,393 after deduction of reserve for bad debts whereas retail accounts receivable (secured by lien contract) dropped from $740,901 to $595,550 after large reserves were deducted for repossessions and unearned interest. Inventories also dropped in valuation from $322,633 to $279,644.

Bank advances were down from $373,935 to $325,500. Accounts payable showed little change.

Gross Profits Were $391,661

It is stated that inventories were valued at not more than cost. The reserve for repossessions on retail accounts receivable was $100,000 and the reserve for unearned interest, $46,370. The reserve for doubtful debts on trade accounts receivable was $12,296. The officials of the company state that the reserves for possible loss on collections are adequate and that the inventories have been properly valued. The auditors, Clarkson, Gordon, Dilworth Guilfoyle & Nash, in certifying that the balance sheet is properly drawn up to show the position of the company, modify their certificate by saying "We have some doubt as to the adequacy of the reserves against receivables and inventories."

Gross profits for the year were $391,661 but selling expenses amounted to $254,270 and administration expenses to $275,025, or 529,295 in all. Discounts on purchases and interest earned of $56,672 reduced these expenses to $472,623, and the operating loss for the year was $81,012 before providing the additional reserves for loss shown on the following tables:

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $	1928 $
Net earn.†	‡81,011	44,410	166,042
Less:			
Exp. re change of cap. struct.	....	....	26,476
Special write-offs on invent.	....	12,500	....
Inc. tax res.	....	2,500	13,734
Net profit	‡81,011	29,410	125,832
Less:			
Pref. dividends	6,956	27,825	16,188
Com. divds.	....	57,547	81,728
Res. for loss on repossessions	25,000	....	....
Res. invent. depr.	15,000	....	....
Surplus for year	*127,967	*55,952	27,916
Add:			
Previous surp.	182,252	328,271	292,938
Adj. on prior period	....	....	7,416
Add tax adjust.	6,786	....	....
Less:			
Adjust. of res.	....	82,818	....
Adj. Que. taxes	....	1,237	....
Trans. to share cap. acct.	....	6,000	....
Surp. carr. fwd.	61,071	182,252	328,271

*Deficit.
†After deducting all operating expenses, including depreciation.
‡Loss for year before providing additional reserves for loss on repossessions of machines and for inventory depreciation.

Working Capital

	1930 $	1929 $	1928 $
Current assets	971,543	1,123,019	1,022,530
Current liabs.	448,485	499,830	259,087
Working capital	523,058	623,189	763,443
Ratio	2.16—1	2.25—1	3.95—1

Hudson's Bay Land Sales Are Substantially Lower

Land sales made by the Hudson's Bay Co. in Western Canada during the quarter ended April 30, 1931, show substantial decreases from sales reported for the corresponding period in 1930. Sales of farm lands amounted to 3,570 acres as compared with 20,820 acres in the same period of 1930 and the amount received dropped to £5,600 from £45,300.

Revenue from sale of town lots dropped to £280 from £2,000. Total encashments on land account dropped to £38,400 from £70,200.

List Sullivan Gold Stock
From Our Own Correspondent

MONTREAL. — The Montreal Curb Market announces the listing of 3,000,000 shares of $1 par value of Sullivan Gold Mines Ltd. Ticker abbreviation will be SUL.

Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low	Last Year High (Premium)	Last Year Low
May 13	3-64	1-32	3-16	5-32
May 14	1-16	3-64	11-64	1-16
May 15	7-64	3-64	7-64	1-16
May 16	3-32	3-32	1-8	5-64
May 18	3-32	5-64	1-8	7-64
May 19	3-32	5-64	7-64	6-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 13	4.86 1-8	3.91 1-4	5.23 3-8
May 14	4.86 1-8	3.91 1-16	5.23 3-8
May 15	4.86 1-4	3.91 9-32	5.23 3-8
May 16	4.86 5-16	3.91 1-4	5.23 1-2
May 18	4.86 5-16	3.91 7-16	5.23 7-16
May 19	4.86 7-16	3.91 3-16	5.23 7-16

FOREIGN EXCHANGE

Par		May 5	May 12	May 19
5.26	Italian	5.23¼	5.23¼	5.23⅞
23.80	German	23.82⅛	23.82½	23.83
13.90	Belgian	13.90½	13.90½	13.91
49.80	Japanese	49.40	49.40	49.45

Mining Stock Quotations

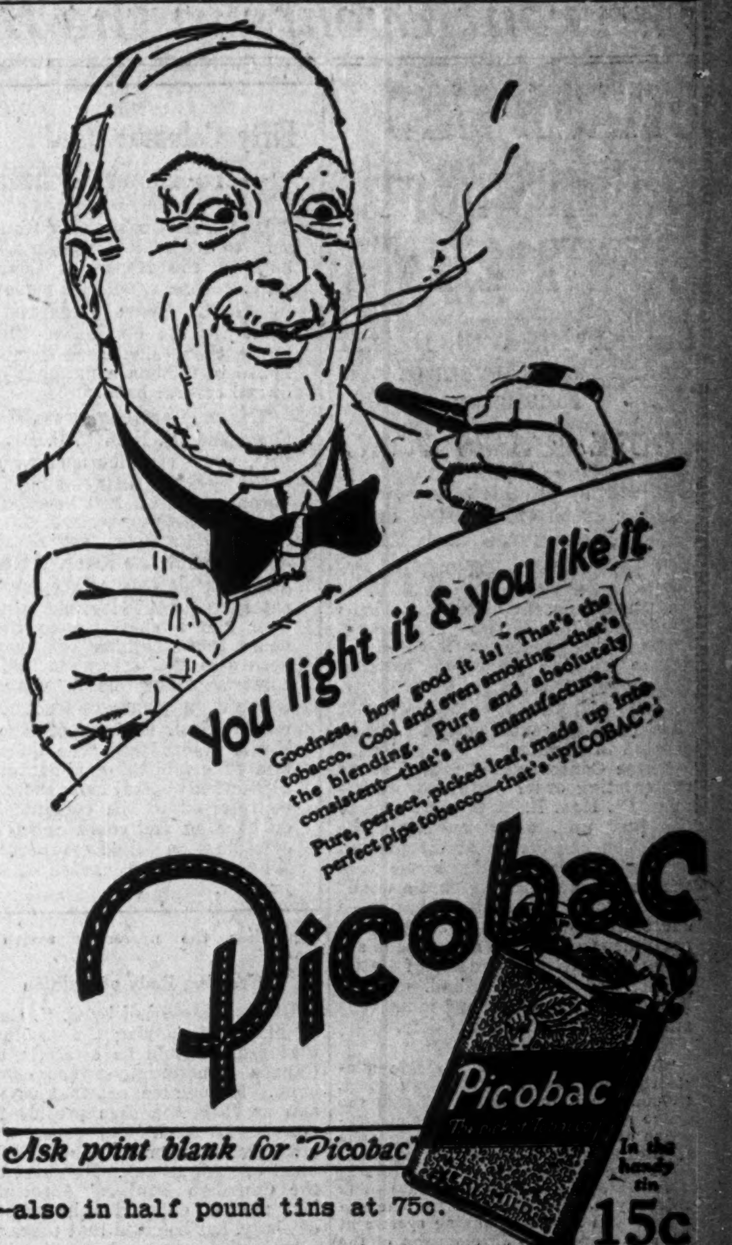
Week Ending May 18.

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 11 (or last)	High for week	Low for week	Close May 18
1	.23	.09	Abana	.12	.12	.09	.09
1	.03	.01	Aconda	.01½	....	....	....
1	.05½	.03½	Adrien	.04¼	....	....	....
None	.50	.12	Aldermac	.25	....	....	....
1	.05	.01	Algonquin	.01½	.01¼	.01	.01
1	.02½	.01	Amity C.	.01½	.01¼	.01¼	.01¼
None	.45	.24½	Amulet	.27	.30	.24½	.24½
1	.02½	.01	Apex	.01½	.02	.01½	.01¼
1	.05	.01½	Area	.02	.02	.02	.02
1	.01	.00½	Argo. Cons.	.00½	....	....	....
1	.08½	.01½	Arno	.06	.06	.04½	.05
1	.01½	.01½	Astoria	.01½	....	....	....
1	.02	.00½	Atlas	.01	....	....	....
1	.02½	.01	Baldwin	.01½	.01	.01	.01
1	.1	.08	Barry Holl.	.14	.14½	.12	.13
None	1.45	.90	Base Metals	.90	.95	.90	.90
None	.04	.00¼	Bathurst	.02	.02¼	.01½	.01½
5	1.75	1.25	B'Wana	1.25	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.09½	.03½	Bidgood	.05½	.06	.04¼	.05
1	.50	.32	Big Missouri	.34	.35	.26	.30
1	.05½	.04½	Blue Quartz	.05	.04½	.04½	.04½
1	.12	.02	Bobjo	.05	.05	.04	.04
None	.01	.00½	Boischatel	.00½	.00½	.00½	.00½
1	.08	.02½	Brett Trethewey	.02½	....	....	....
1	.03	.03	Brit. Canadian	.03	....	....	....
None	.12	.03½	Brownlee	.04½	.04½	.03½	.04
1	.02	.00½	Buckingham	.01	....	....	....
1	.08½	.03	Bunker Hill	.03½	.03½	.03½	.03½
None	.03	.01	Cal. Flin Flon	.01½	.01	.01	.01
1	.02	.01	Cambro Kirk.	.02	....	....	....
None	.05½	.02½	Canam Metals	.04	....	....	....
1	.06½	.01½	Can. Kirk.	.02½	.02½	.02	.02
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.32½	.12	Canusa	.29	....	....	....
1	.04½	.00½	Capital R.	.02½	.02½	.02½	.02½
1	.26½	.15	Castle Tre.	.15	.15	.15	.15
1	.23	.03	Cen. Manitoba	.10½	.11	.09	.09
1	.08	.02½	Cen. Patricia	.03½	....	....	....
1	.02	.01½	Champion R.	.02	....	....	....
None	.5	.02	Chib. Pros.	.30	.30	.20	.20
None	.08	.03	Clericy	.04	.04	.03	.04
5	10.50	4.00	Coast Copper	5.00	4.00	4.00	4.00
1	.05½	.01½	Cobalt Con.	.03	.04½	.03	.03½
1	.02	.00½	Col. Kirk.	.01½	....	....	....
1	.3	.05	Columario	.18½	.18	.15	.15
5	.80	.50	Coniagas	.65	....	....	....
5	.62	.30	Coniaurum	.40	....	....	....
25	188.25	89.50	Cons. Smelters	98.00	99.50	89.50	90.00
1	.01	.00½	Corona	.01	....	....	....
1	.02½	.00½	Crown Res.	.01½	....	....	....
.	.29½	.26½	Crudome	.28½	....	....	....
None	.17	.03	Dom. Explor.	.06	.06	.05	.05
1	.03	.00½	Dom. Kirk.	.01	.01	.00½	.01
None	13.25	9.00	Dome Mines	11.00	11.25	10.75	11.10
1	.01	.00¼	Don Rouyn	.01	....	....	....
1	.01	.00½	Dunkin	.00½	....	....	....
1	.02	.00½	Duprat	.01½	.01¼	.01½	.01¼
1	1.28	.20	Eldorado	.70	.69	.60	.60
None	1.70	1.25	Falconbridge	1.26	1.30	1.25	1.25
1	.08½	.02½	Federal	.04½	.04½	.03	.03
None	.01½	.00½	Flintoba	.01	.00¾	.00¾	.00¾
None	.30	.07½	Gem Lake	.11	.11	.07½	.07½
None	.03½	.03	Gilbec	.03	.03½	.03	.03
1	.08	.02½	Goldale	.05	.05½	.04½	.04½
10	.25	.15	Goldfield	.18½	....	....	....
1	.01½	.00½	Gold Hill	.00¾	.00¾	.00½	.00¾
1	.11	.02½	Goodfish	.06	.05	.05	.05
1	.04	.00¾	Graham	.01½	.01½	.01½	.01½
None	2.30	1.40	Granada	2.00	1.95	1.70	1.85
1	.10½	.06	Grozelle	.09½	.10½	.09	.09
1	.03	.01	Harker	.02½	.02½	.02	.02
1	.04¾	.00½	Hilltop	.02½	.03	.02	.02½
5	8.70	6.00	Hollinger	7.80	7.90	7.25	7.25
1	.38	.24	Howey Gold	.28	.29	.25	.29
None	6.30	4.00	Hudson Bay	4.75	4.50	4.00	4.05
None	.40	.31	Huronian	.40	.33	.33	.33
None	20.50	11.37	Int. Nickel	14.75	14.50	11.37	12.00
1	.03	.01	Jackson M.	.01½	.01½	.01	.01
1	.34	.25	Keeley	.26	.26	.26	.26
1	.04½	.01	Keora M.	.01	.01	.01	.01
1	.27½	.27½	Kirk. Hud. Bay	.27½	....	....	....
1	.03	..1	Kirk. Hunt.	.02	.02	.01¼	.01¼
1	.93	.55	Kirk. Lake	.75	.78	.72	.74
1	.08	.01	Kirk. Prem.	.02½	.02½	.02	.02
1	.13½	.07	Kirk. Town.	.10	.13½	.09	.09
20c.	.02¼	.00¼	Koot. Flor.	.01½	.01	.00¼	.01
1	.02	.00¼	La Rose	.01½	....	....	....
.	.69	.65	Lakeland	.65	....	....	....
1	28.50	23.50	Lake Shore	27.25	28.00	27.50	27.75
1	.02	.01	Laval	.01	.01	.01	.01
1	.02	.01½	Lebel Oro	.02	....	....	....
None	.35	.35	Locarno	.35	....	....	....
1	.55	.10	Macassa	.40	.42	.33	.39
1	.12	.02	Malartic	.07	.07	.05	.05
None	.15	.06	Mandy	.10	.10	.09½	.10
None	.06	.02	Man. Basin	.03	.03½	.03	.03
1	.55	.30	McKinley	.50	....	....	....
5	26.50	20.50	McIntyre	23.25	24.00	22.65	22.65
None	.33	.10	McLeod River	.13	.14	.10	.10
1	.04	.04	McVittie	.04	....	....	....
1	.29	.12	MacMillan	.12	....	....	....
1	.01½	.00½	Millcrest	.01	....	....	....
5	2.84	1.46	Mining Corp.	2.22	2.23	2.05	2.05
1	.09½	.01	Moffatt Hall	.06½	.06¼	.05	.05¼
1	.04	.02	Moneta	.03½	.03	.03	.03
1	.00½	.00½	Mtl. Rouyn	.00½	....	....	....
1	.63	.20	Moss	.43½	.42½	.35½	.35½
1	.09	.01	Murphy	.05½	.05¼	.03½	.03½
1	.07¾	.03½	Newbec	.04	.04	.03½	.03¾
1	.40	.25	Nevada	.25	....	....	....
1	.09	.02	Night Hawk	.04	.05	.04	.04
5	1.90	1.13	Nipissing	1.15	1.20	1.14	1.15
None	29.65	14.00	Noranda	22.90	24.50	21.50	21.50
1	.50	.30	Nor. Canada	.36½	.35	.30	.30
None	.03	.01	Old Colony	.01¼	.01⅛	.01	.01
1	.01	.00½	Ophir	.00½	....	....	....
1	.10¼	.04¾	Oriole	.04¾	....	....	....
1	.21	.07	Osisko	.12	.11	.10	.10
1	.25	.23	Parkhill	.23	....	....	....
1	.15	.14	Patricia Dent.	....	.15	.14	.14½
1	.04	.01½	Pawnee Kirk.	.03¼	.03¼	.03	.03
None	1.61	.70	Pend. Ore.	.90	.90	.90	.90
1	.04½	.01	Pete. Cobalt	.01½	.01¼	.01	.01
	.50	.50	Phy. Molybd.	.50	....	....	....
1	.01½	.00½	Picard	.00½	....	....	....
1	.12	.07	Pioneer	.08	.08	.08	.08
1	.02¼	.00¾	Porc. Crown	.01	....	....	....
1	.02	.00½	Potter Doal.	.00¾	.00¾	.00¼	.00¾
1	.45	.37½	Powell Ryn.	.42	.42	.41	.41
1	.99	.65	Prem. Gold.	.75	.74	.71	.71
1	.02¼	.00¾	Preston E. Dome	.00¾	....	....	....
1	.25	.13	Quemont	.18	....	....	....
1	.01¾	.00½	Ribago	.01	....	....	....
1	.34	.24	Rich. Rock	.33	....	....	....
1	.15	.03½	Ritchie	.05	.05	.04½	.05
1	.04	.01¼	R. Montbray	.02⅛	.01¼	.01¼	.01¼
1	.05	.04	Rubec	.04	....	....	....
None	.25	.10¾	San Antonio	.15½	.19	.15	.17
1	.21	.16	Seven Troughs	.16	....	....	....
1	1.25	.70	Sherritt G.	.75	.85	.70	.71
1	.55	.36	Siscoe	.50	.50	.46	.46
1	.18	.03¼	So. Keora	.05	....	....	....
None	.05	.02½	Stadacona	.02½	.02¼	.02½	.02½
1	.30	.03½	St. Anthony	.12½	.12½	.07	.07
None	.82	.51	Sud. Basin	.52	.60	.53	.60
1	.03	.01	Sud. Contact	.01	.02	.01	.02
1	.03¼	.00½	Sudbury M.	.01¼	.01¼	.01	.01½
None	.04¼	.01	Sudbury N.	.03	.03	.03	.03
	.18	.16	Sullivan	.18	.19	.16	.16

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 11 (or last)	High for week	Low for week	Close May 18
1	1.14	.48	Sylvanite	.91	.91	.80	.80
1	.20½	.04	Tashota	.16	.15	.10	.12½
1	8.65	6.15	Teck Hughes	7.75	7.90	7.30	7.30
1	.10½	.02	Telluride	.03½	.03	.02	.02
1	.01½	.01½	Temiskaming	.01½	....	....	....
1	.06½	.02½	Thom. Cad'c.	.04½	.04	.04	.04
1	.02½	.00½	Tough Oakes	.01	....	....	....
1	.63	.20	Towagmac	.35	.30	.30	.30
None	2.65	1.00	Treadwell	2.00	2.00	1.75	1.75
None	2.85	2.40	Tri-Metals	2.85	....	....	....
.	.15	.04½	United Kirk.	.10	.08	.08	.08
	.03	.02	Vacuum Gas	.02	....	....	....
None	.86	.40	Ventures	.50	.50	.45	.45½
1	.15	.01½	Vickers	.09¾	....	....	....
1	1.22	.95	Vipond	1.05	1.06	.95	.95
None	2.00	1.05	Waite Ack.	1.20	1.20	1.05	1.05
1	.02¼	.01	West Tree	.01	.01	.01	.01
1	.27	.07	White Lake	.14	.10	.07	.07
1	.06	.02	Wiltsey	.04½	....	....	....
None	.01½	.00½	Windfall R.	.01	....	....	....
	.13	.06	Wood Kirk	.07	.07	.07	.07
None	3.14	1.85	Wright-Har.	3.14	3.18	2.85	2.87
			WESTERN OIL STOCKS				
1	.30	.16	Acme	.21½	.23	.21½	.21½
	.01	.00½	Acme Rights	.00¾	.01	.00¼	.00¾
None	.50	.50	Advance	.50	....	....	....
1	.37½	.16½	Alta. Pac.	.20	.20	.16½	.17
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.08	Associated	.10	.11	.08	.10
1	1.89	1.25	Ajax	1.30	1.40	1.25	1.30
None	.12	.04	Baltac	.04½	.04½	.04	.04
1	.07	.05	Black Dia.	.05	....	....	....
1	.33½	.12	Brit. Dom.	.15	.13	.12	.12
1	.32	.08	Calmont	.10	.12	.08	.08½
None	.82	.30	Calgary & Ed.	.35	.35	.30	.34
1	.47	.12	Comm. Pete.	.13	.16½	.12	.16½
None	.60	.26	Dalhousie	.30	.30	.26	.27
None	.08	.03	Devenish	.04	.03	.03	.03
None	.12	.04	Dome Oil	.05½	.05¼	.05	.05
None	.69	.32	E. Crest	.41	.43	.31	.33
1	.05	.02	Fabyan Pete.	.02¼	.02½	.02	.02
None	.60	.35	Foothills	.35	.35	.35	.35
None	.18½	.04¾	Freehold	.04¾	.05½	.05	.05
1	.02	.01½	Great West	.01½	....	....	....
None	.17	.05	Hargal	.05	.07	.07	.07
None	.10	.03½	Herron Pete.	.03½	....	....	....
None	.07½	.05	High Sarcee	.05	.05	.05	.05
None	2.00	.50	Home	.60	.65	.50	.58
None	.22	.07	Homestead	.09	.07¼	.07	.07¼
1	1.70	.85	Homest'd O.& G.	1.52	1.54	1.49	1.50
1	.08¾	.01	Ill. Alta.	.01½	.01½	.01	.01½
None	.70	.17	Lowery	.17	....	....	....
1	.05	.01½	Madison	.02	.01¾	.01½	.01½
1	.35	.39	Mayland	.39	.40	.40	.40
None	.11	.04	McD. S. Ex.	.04	....	....	....
1	.29	.05	McD. S. N.	.05½	.05	.05	.05
1	.72½	.28	McLeod	.31	.32½	.30	.30
None	.39	.14	Mercury	.18¾	.19	.17¾	.17¾
None	.20	.08	Merland	.11¼	.14	.08	.13½
1	.18	.09	Mid West	.11	.09	.09	.09
None	.38	.15½	Mill City Pete.	.15½	....	....	....
1	.49	.15	Model	.25	.26	.15	.25
1	.18	.03	Monalta	.07	.03	.03	.03
1	.31	.07	Moose M.	.07	....	....	....
1	.04	.02	New Federal	.02	....	....	....
None	.56	.25½	Nordon	.31	.32	.30	.30
None	.08¼	.02¼	Oil Select	.07	.07	.05½	.05¾
None	.28	.08¾	Okalta	.09½	.08¾	.08¾	.08¾
100	27.00	25.00	Okalta, pref.	25.00	....	....	....
None	.22	.05	Olga Gas & Oil	.11	.12	.12	.12
1	.37½	.24	Petrol	.27	.28	.26	.26
None	.28	.04½	Penn. Pete.	.05¾	.06½	.04½	.04½
None	.25	.12	Ranchmen's	.13½	.14½	.13	.14½
1	.05	.01½	Regent	.02	....	....	....
None	.13	.05	Richfield	.07½	.07	.05	.05
None	17.75	8.00	Royalite	9.75	8.50	8.00	8.00
1	.82	.40	Sarnia Oil	.61	.61	.49	.53
1	.06½	.03	Signal Hill	.05	.05½	.03	.03½
None	.27	.10	So. West Pete.	.12	.13	.13	.13
1	.60	.25	Spooner	.25	.26	.25	.25
None	.19	.09	Sterling Pac.	.11	.10	.10	.10
.	.15	.15	Turner Basin	.15	....	....	....
1	.16	.12	Turner Valley	.12	....	....	....
None	.31	.10	United	.14½	.13	.10	.10½
1	.15½	.09	Vulcan	.13	....	....	....
None	.05	.01½	Wainwell	.01½	.01¼	.01½	.01¼
1	.28	.10	Waite Valley	.15	.10	.10	.10
			VANCOUVER STOCK EXCHANGE (Transactions for week to May 13)				
25c.	.01	.00¼	Bayview	.01	....	....	....
25c.	.07	.01	Beaver Silver	.05½	.05½	.04½	.04½
25c.	.02½	.02	Bluebird	.02	....	....	....
25c.	.70	.50	B. C. Silver	.50	....	....	....
25c.	.02	.00¾	Cork Province	.01	.01	.01	.01
1	.20	.12	Cotton Belt	.12	.14¼	.14	.14
1	.04	.02	Dunwell	.02	....	....	....
1	.10	.05	Duthie	.06	.05	.05	.05
1	.90	.50	George Copper	.50	.53	.50	.50
50c.	.05	.03	Geo. Enterprise	.03	....	....	....
1	.05	.01¼	Georgia River	.02½	.03	.02¼	.03
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	.01	....	....	....
1	.45	.30	Golconda	.30	....	....	....
50c.	.07½	.03	Grandview	.03	.03	.03	.03
None	27.50	27.50	Howe Sound	27.50	....	....	....
1	.17½	.11	Intern. Coal	.15	....	....	....
1	.01½	.01	Independence	.01	.01	.01	.01
1	.01½	.01	Indian Mines	.01	....	....	....
1	.43	.30	Jack Waite	.30	....	....	....
25c.	.02	.00½	Kootenay King	.02	....	....	....
25c.	.00½	.00¼	Lakeview	.00½	....	....	....
25c.	.01	.00¼	L. & L.	.01	....	....	....
1	.09	.08	Lorne Gold	....	.09	.08	.09
1	.12	.12	Los Ang. Van.	.12	....	....	....
10c.	.08½	.01½	Lucky Jim	.02	....	....	....
2.50	.01	.00¾	Marmot Gold	.01	....	....	....
50c.	.01	.00½	Marmot Metals	.00½	....	....	....
25c.	.00¼	.00¼	Mohawk	.00½	....	....	....
1	.25	.14	Montana Mines	.25	....	....	....
1	.05	.02½	Morton Woosley	.02½	....	....	....
50c.	.03½	.02	National Silver	.02¼	....	....	....
50c.	.09¾	.04	Noble Five	.04½	.05	.04½	.05
50c.	.12½	.05	Oregon Cop.	.09½	.08	.07½	.07½
1	2.25	1.23	Pioneer Gold	1.62	2.25	1.65	2.25
50c.	.09	.05	Porter Idaho	.05½	.06	.06	.06
None	.02	.00¼	Premier Border	.01	.00⅞	.00¼	.00¼
None	.55	.20	Reeves McD.	.35	.25	.25	.25
1	.25	.11	Reno Gold	.21½	.22	.21	.21
1	.04	.02	Rufus Argenta	.02½	....	....	....
1	.07	.04	Ruth Hope	.05	....	....	....
1	.05½	.04	Silverado	.05½	....	....	....
25c.	.03	.01½	Silver Crest	.02	....	....	....
50c.	.05	.01⅛	Snowflake	.02¼	.02¼	.02	.02
1	.45	.30	Sunloch	.30	....	....	....
50c.	.01¾	.01	Topley Rich.	.01½	.01	.01	.01
5	.20	.20	Toric	.20	....	....	....
20c.	.01	.01	Wellington	.01	....	....	....
1	.05	.05	Whitewater	.05	....	....	....
None	.03¾	.00¾	Woodbine	.01	.01	.00¾	.01

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$12.50	13.88	Premier	12c.	16.90
Dome Mines	$1	9.00	Royalite	50c.	....
Hollinger	65c.+5c.	9.65	Spooner Oils	6c.	....
Inter. Nickel	60c.	5.00	Sylvanite	2c.	2.50
Lake Shore	$1.20+30	5.40	Teck Hughes	60c.	8.21
McIntyre	$1	4.41	United Oils	5c.	....
Model Oils	12c.	....	Wright-Har.	10c.	8.48
Nipissing	30c.	26.08			



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Current Events in the Banking World

OTTAWA SAYS THUMBS DOWN CENTRAL BANK

Bennett Rises to Defend Present System of Financing

COOTE RAISES POINT

Commons Decides to Refer Matter to Committee on Commerce and Banking

Although decennial revision of the Bank Act is still two years away, Ottawa was treated to a full-dress debate on the Canadian banking system last week when G. G. Coote, of MacLeod, moved a resolution that "a nationally-owned central bank be created in Canada."

Three Conservatives rallied round the existing order of things, whereupon Rt. Hon. R. B. Bennett rose to his feet and, after outlining the operation and merits of the present system, challenged the house that they had heard nothing "not a word" which would warrant a change—a contention which apparently went unchallenged despite subsequent addresses by H. E. Spencer, of Battle River, and E. J. Garland, of Bow River, both of whom had ideas very similar to those of Mr. Coote.

Merits of System

"Without stating for a single minute that our banking system is perfect, I claim for it the following," said the prime minister, "first, that for a population of 10,000,000 people we enjoy the privileges of a banking system that gives as great security to depositors as it is reasonably possible to have—and unless you have security for the depositor you have no banking system at all, and there is no development of the country; secondly, that the use to which the banks may put the securities required for the protection of depositors ensures such an expansion of credit as enables our banks to meet every demand that has been made upon them; and never has a request been made for more than 60 per cent of the amount which, under the Finance Act, we could advance.

"I have had some knowledge, second hand, from those who had learned much of the operations of central reserve banks in other parts of the world. When we talk about state banks we are talking about something entirely different from the system that prevails in Canada. A state bank if set up in Canada would not be analogous to the state bank of Finland or of Jugo-Slavia or of Greece. My honorable friends, I am sure, know that to set up a reserve or central bank such as has been set up in other countries would not do a single thing beyond what we are doing now through the operation of the Finance Act without maintaining a bank at all.

Keeps Open Mind

"I am not however closing the door to convictions which may come to my mind with respect to the matter. I am conscious of the fact that for the last one hundred years the great desire of the people on the American continent is to secure a stable and safe banking system. No theorists' lectures on credit will get away from the simple, single fact that we have had a more stable and safe banking system than most other peoples in the world. As population increases, as the centre of population changes, as the centres of wealth change, it may be well that the system we now have may not be found to work as conveniently as is desired. When that time comes, time has come for a change.

"Effective and efficient, vital, a part of the organization of the financial structure of this country, it serves the people of this country steadily and well, and if there be opportunities, as there will be, to improve from time to time the personnel of those charged with the responsibility of the finance department—and I hope to make a change myself in the not distant date—I am sure the House will agree that those changes will always be forthcoming when the necessary action is taken."

Growing Body of Opinion

Discussion started by G. G. Coote, of MacLeod, moving the resolution that there should be established in Canada a nationally-owned central bank. He pointed out that as long ago as 1918, the then president of the Royal Bank was reported as strongly in favor of the establishment of such a bank. He noted that the Canadian Bankers' Association had always opposed this proposal officially, but believed that there was a large and growing body of opinion in Canada in favor of the establishment of such a bank, and that the present would be a very opportune time to raise the question. He also referred to discussion of the matter in the financial papers of the country and also to articles currently written on the subject by Professor Day, of McGill and Professor Curtis, of Queen's University.

Mr. Coote pointed out that the responsibility of providing adequate credit facilities in Canada rested on the parliament. He recalled that until 1914 the chartered banks of Canada were practically the sole source of credit for business in this country but in that year The Finance Act made available to the banks the full credit of the country and furnished for the first time in Canada what amounted to a rediscounting agency for chartered banks. He gave it as his opinion that if a central bank were established in Canada, it would take over many of the duties which are now carried on by the Department of Finance including the administration of the Finance Act. The bank would also assume the duties now carried by the trustees of the Central Gold Reserve and provide a more efficient system of inspection of banks. The bank would act as the fiscal agent of the Government and the officials of the bank would be able to advise the Government at all times with regard to financial matters.

"Such a bank would provide us with a national bank note issue which might possibly take charge of the issue of Dominion notes for the Government. It would also take over the administration of the Post Office savings bank.

"The control of this bank should be vested in a board representative of the various industries in Canada on which board the Government would be represented as well. Such a bank would enable us to mobilize all our credit resources in Canada to a greater extent than has been possible in the past, and should provide intelligent and effective control of credit in the interest of the people of Canada."

The principal business of the bank, in Mr. Coote's opinion, would be to place the business of rediscounting now carried on under the Finance Act, under the most careful and intelligent control. He pointed out that the official attitude of the banks toward this question had always been that the Finance Act made it unnecessary to have a central bank in Canada, but he believed that the bankers overlooked the most essential service that such a bank could render to its country, namely "preservation of stable prices in association with the maintenance of stable foreign exchange which, according to Kisch and Elkin in their recently published book "Central Banks," is the great service which the world hopes to receive from a sound central banking policy conceived and carried out in conference between the Central Banks.

Danger Now Lurking

"There is always a danger," said Mr. Coote, "that with such a system as we have in Canada where a few large banks control most of the banking business, the adoption of an unwise policy by one of these banks might be followed by serious consequences to the whole banking system. It would surely be in the best interests of Canada to establish a central bank which could exercise some measure of control over the policy of the banks chartered under the authority of this Parliament. The situation at present seems to be that the Finance Act is meeting, with rediscounting requirements of the chartered banks but not sufficient consideration is given to the effect of such rediscounting operations."

Another point made by Mr. Coote was the great need for co-operation among central banks of the world to effect economy in the use of gold. Whether or not Canada remained on the gold standard, Mr. Coote believed it would be to our advantage to have a central bank, for if we were on the gold standard we would need it to take care of our gold holdings and, particularly, to represent Canada at any meeting of the Central Banks of the world which might be held to endeavor to arrange the common policy in economizing the use of gold, and to endeavor to arrange for the free movement of gold.

Various authorities such as Sir Josiah Stamp, Owen D. Young, and Rt. Hon. Reginald McKenna, and C. E. Neill of the Royal Bank, who on various occasions have urged some action toward stabilizing price levels were quoted. Mr. Coote pointed out that all these authorities and many others, have urged a remedy for the present situation, and therefore came to the conclusion that how else could Canada co-operate in this movement unless through a central bank. "There seems to be at present no intelligent control over the granting of advances or consideration of the effect which such advances may have upon the general business situation," said Mr. Coote, "particularly with regard to price levels."

As to costs, Mr. Coote thought that any money the central bank would cost could easily be saved if the bank acted as the fiscal agent of the Government. It would handle, for instance, the conversion of the $1,000,000,000 debt which matures in the next five years. Mr. Coote stated that in other countries central banks had made very handsome profits. It was reported that in 1927 the total net earnings of all central reserve banks in the United States amounted to $593,000,000. Mr. Coote also stated that he believed that if Canada had a central bank we might secure representation on the board of governors of the Bank of International Settlements.

Will Support Banks

G. R. Geary of South Toronto was the next speaker, who gave his opinion that if the idea of a central bank was to take over the functions of the Treasury Board, and to make advances in such fashion and with such care as to assure the amount of credit so advanced being used in a particular way, that he was embarking on rather a perilous journey. He said that he would be very glad of an opportunity to increase his store of knowledge on the question of a central bank and thought the matter ought to be handled very carefully rather than by boldly passing a resolution which might involve the actual creation of a central bank without being able to see the path which would lie before, after the establishment of such a bank.

Hon. J. D. Chaplin of Lincoln, gave it as his opinion that he was definitely opposed to the Government going into the banking business as he did not want any manager of the government bank deciding who was going to be its creditor. He foresaw a great many difficulties in the way of such an institution and thought that it would act as a general expense to the banks at present without doing any good whatever to anyone.

R. C. Matthews of Toronto East Centre pointed out that the experience of the United States in the last year or two indicated that in spite of their banking system they had been unable to do the very thing which Mr. Coote wanted the central bank to do, namely to pass competent judgment on the value of securities offered them. He believed that the loans made by the Finance Department of Canada through chartered banks would compare favorably, from the standard of security and liquidity, with the loans made by the central reserve system in the United States.

Rt. Hon. R. B. Bennett predicated his reply by a statement of some of the simple fundamentals of banking. He strongly defended the Canadian branch bank system, which in spite of its defects seemed to have excellently carried out the fundamental requirements of a banking system. He referred incidentally to the fact that in spite of their Central Reserve System the United States had 1,345 bank failures in 1930. He then outlined the provisions made in this country for expanding credit. He doubted whether any central reserve bank could simply and effectively carry out the function of providing bank credits as does the present system in Canada. He outlined the regulation covering advances on different kinds of securities. On treasury bills, banks were allowed 100 per cent; on Canadian guaranteed securities 90 per cent; on other forms of security about which no question might arise 65 per cent; on some forms of industrial bonds 20 per cent. He also stated that bills with respect to grain or wheat or agricultural products might be rediscounted at the Central Reserve Institution under the Finance Act for the purpose of assuring a continuous flow of credit at the time it was most required.

"Thus at the beginning of the year, Canadian banks were entitled if they so desire, upon the determination of those responsible for the conduct of treasury affairs, to $200,000,000 of credit. This is apportioned on the basis of a fixed maxima to which it was considered that the banks were justly entitled—in the case of the largest $40,000,000, and in the case of the smallest $700,000 though that bank has since been absorbed by another."

He then quoted the sums that had been advanced each year since 1918 under the provisions of the act, the peak in any year being $123,000,000 (1920) and the peak of recent years being $112,000,000 in 1929. In 1930, $56,000,000 only, had been used, while the maximum to date had been something less than $15,000,000. Whatever the need, whether it be small or large, the operation of the present statutes provided a continuous revolving credit, not make-shift security but substantial security which the department itself had fixed and determined should be adequate for the purposes intended. Those securities are either on the one hand, the securities of the country or, on the other hand, the first class security which the bank itself acquired.

"You have, therefore, a continuous revolving credit. Look at the operation: Acquirement of the securities by the bank; deposit of securities in the Finance Department; release of credit for an amount varying from 100 per cent down to the 65 per cent of the securities deposited. What could be more complete? It may well be that the time will come in this country when it is deemed desirable to expand our present system, I am not saying it will not. I am one of those who believe that you cannot today, with respect to financial operation, say with certainty what may be desirable to do tomorrow. It may well be that a change will be desirable, but at the moment nothing that has been said this afternoon indicates anything which would warrant a change—not a word.

"My honorable friend has said: so and so is not good; but that is not enough. He must have more than that before attacking an existing system by saying it is bad. In the court of law, it would be necessary to give particulars, but not one has been given. It is all right to repeat what somebody has written or said but this system should be tried in the light of no facts and of our own experience and not by the glittering generalities and theories of others. I am talking of the use made by the chartered banks of Canada of the deposits of the people and the service rendered by their use in obtaining credit through the Finance Act."

Two other speakers to the motion were H. E. Spencer of Battle River, who was strongly of the opinion that the Government should go into the banking business on the theory that loans created deposits and that therefore the Government if it controlled the banking system should inflate or deflate credit to suit current conditions, and E. J. Garland of Bow River, who put himself on record for being heartily in favor of a central bank if that meant the creation of "an intelligently organized and controlled machine which would be used for the purpose of adjusting the volume of currency in a country to meet the requirements of business both in and out of that country, to co-operate a similar central bank in other countries for the regulation of the monetary standard and the volume throughout the world."

Fifty Columns Used To Report Debate

It took fifty columns of Hansard to record last week's debate in the House of Commons on the resolution moved by G. G. Coote (MacLeod) that: "in the opinion of this house there should be established in Canada a nationally-owned central bank."

The chief speakers were Mr. Coote and Rt. Hon. R. B. Bennett, while contributions were made by G. R. Geary of South Toronto, R. C. Matthews of Toronto East Centre, E. J. Garland of Bow River, and H. E. Spencer of Battle River. After a stirring defence of the present system by the prime minister and a challenge to the house that "nothing that has been said this afternoon indicates anything which would warrant a change — not a word," E. J. Garland of Bow River, moved that "the question of establishing a nationally-owned central bank should be referred to the committee on banking and commerce for consideration and report." Whereupon the house adjourned.

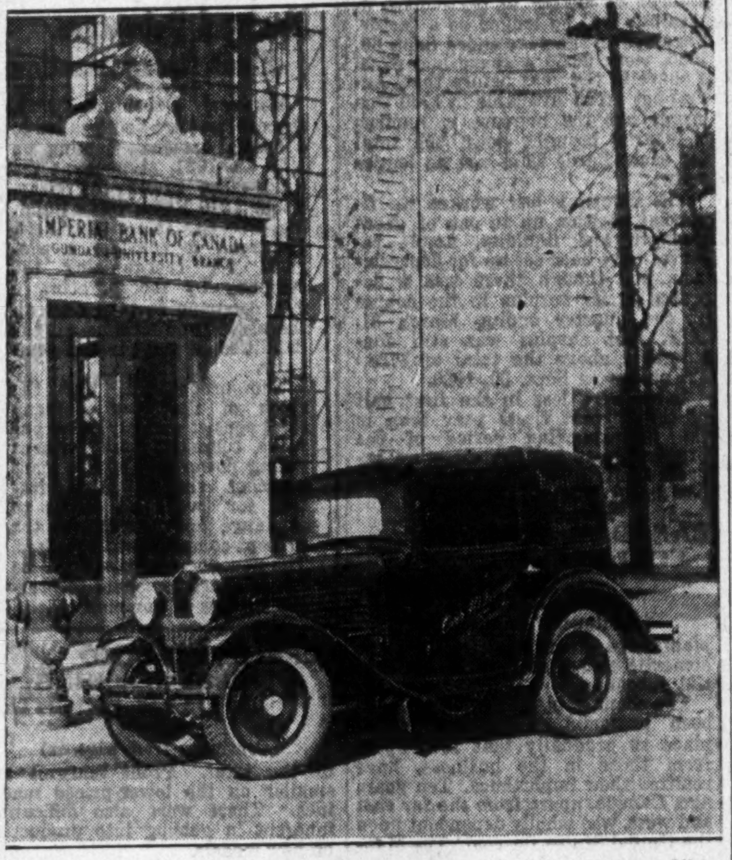
Early History Beaver Hall Is Recalled

The moving to new quarters across the road of the Beaver Hall branch of the Royal Bank at Montreal is taken as an occasion by W. H. Stevens, manager of the branch, to reminisce on this most famous spot in Montreal's history. The bank has been established on Beaver Hall Hill for 18 years and is now moving across the road to new quarters in the Architects Building recently erected at the southeast corner of Beaver Hall Hill and Dorchester St.

"Beaver Hall Hill now familiarly known as Beaver Hall," says Mr. Stevens, "dates from the days of Maisonneuve who founded the city of Montreal in 1642. From 1648 until the latter part of the 18th century, French-Canadian farmers tilled the land which at that time was up outside the city limits. Montreal then occupied the comparatively small area surrounded by walls, the exit to the north in which direction the hill lies being through the Recollet Gate at the corner of Notre Dame and McGill Sts."

"In 1791 an Englishman became the owner of the property and turned it into an amusement park, which step caused his bankruptcy some seven years later. Afterward an Irishman attempted to operate it but these two failed and in 1808 the land was sold to Joseph Frobisher, a retired fur trader and one of the founders of the North West Company. Frobisher had previously built a mansion on the property known as Beaver Falls, where he entertained extensively.

Aids Inter-Branch Efficiency at Toronto



Imperial Bank's new express car purchased recently to handle inter-office messages between head office branch at Toronto and other branches in that city. It is shown in front of the bank's new branch at the corner of University and Dundas Street.

Imperial Solves Problem Of Inter-Branch Messages

Higher inter-branch efficiency plus a little free advertising thrown in, are the reasons for the appearance of a baby car on the streets of Toronto recently labelled "Express Car—Imperial Bank of Canada."

The new car has been purchased for the use of head office branch at Toronto to facilitate messages and so forth between itself and the 40 odd branches scattered in all parts of the city. Previously such messages could only be transmitted by way of the slower and more awkward method of using the armored car as it made its daily rounds from branch to branch.

Operating Cost is Light

The car is maroon in color to match the bank's armored car and its "parcel car" which makes deliveries of stationery and so forth between branches. Cost of operation is said to be very light and, although it has only been in use for about two months it has gone nearly a thousand miles on odd and valuable trips of one sort and another which have to be carried out immediately.

Other big banks in Toronto have a similar problem to face but use varied means of accomplishing the same end. For instance, the Canadian Bank of Commerce uses a small fleet of motorcycles which are kept at head office branch and are available to meet needs such as are served by the Imperial's car. As there are about 70 Commerce branches in and about Toronto the problem is nearly twice that of the Imperial. Another bank which has about 30 branches in Toronto says it just uses an old light car.

What Editors Say of Banks

The Hour and the Man

Ottawa Citizen.—Fifteen years ago, about the time of the battle of the Somme, Mr. Bennett went to England on a mission of national service. He submitted a plan for the mobilization of the currency resources of the British Empire. Treasury officials were too much occupied with the immediate demands of the situation from day to day. Whatever merit there may have been in the proposal from Canada, they were unable to give it the necessary consideration.

But there were British statesmen who, looking ahead, could see such conditions of international debt developing that the world's credit machinery would be thrown out of balance. One of the ablest of British leaders, Lord Milner, saw the possibilities of Mr. Bennett's plan. He had been High Commissioner in South Africa. He knew something about the limitations of gold. He had withdrawn from large financial interests in the city of London to take on the biggest task next to Lloyd George's in the war cabinet.

Early in 1917, soon after joining the war cabinet, Lord Milner enlisted the interest of a practical banker, J. F. Darling—at that time general manager of the London Joint Stock Bank—in the arising problem of currency and credit, as it would almost surely affect the nations within the British union. Mr. Darling set to work exploring the path of banking co-operation. He produced a draft scheme for an Empire bank which would have the gold resources of the British Empire behind it.

As with Mr. Bennett's earlier proposal for an Imperial currency, Mr. Darling's plan encountered the difficulty of being several years in advance of the vision of established authorities on international finance. He has continued, however, along this new path of economic research; and in recent years, since the merging of the London Joint Stock Bank with the Midland Bank—of which he is a director—Mr. Darling has taken time to visit Canada, South Africa, Australia and New Zealand in this labor of love for the British Empire.

As part of Mr. Darling's earlier banking career, he spent eleven years in India. From India, perhaps more than from anywhere else in the world, has come the precipitating cause of a serious dislocation of the world's financial credit machinery.

An Imperial Economic Conference is to be held in Ottawa this summer, after the close of the present session of parliament. Since the view is being so freely expressed in the United States that British policy in India is primarily responsible for the breakdown, there could be no reasonable objection to action on the part of the nations within the British Empire to restore the equilibrium of silver and gold, along the lines outlined in Mr. Darling's plan of an Empire bank. There is perhaps no man better fitted than the present prime minister of Canada, Mr. Bennett, to give leadership along this path of financial rehabilitation.

Weekly Bank Clearings

Eastern Cities	May 15, 1930	May 14, 1931
Saint John	$ 1,469,610	$ 2,271,850
Sherbrooke	979,604	668,637
Ottawa	7,089,605	6,759,708
Montreal	139,625,237	128,651,570
Kingston	700,580	657,976
Peterboro'	857,066	678,583
Toronto	126,406,908	114,058,065
Hamilton	6,089,044	4,873,604
Kitchener	1,377,221	928,378
Brantford	1,129,611	891,725
London	3,101,681	3,087,892
Chatham	654,507	526,643
Windsor	5,187,968	3,612,656
Sarnia	693,568	490,730
Sudbury	1,616,661	743,792
Moncton	1,063,355	736,648
Halifax	3,066,071	2,002,869

Western Cities	May 15, 1930	May 14, 1931
Fort William	$ 778,921	$ 662,713
Winnipeg	37,926,055	48,787,446
Brandon	507,478	364,757
Regina	3,929,200	3,056,376
Moose Jaw	916,533	669,816
Saskatoon	2,154,735	1,594,326
Prince Albert	365,555	307,918
Calgary	8,225,627	6,435,191
Medicine Hat	298,178	227,450
Lethbridge	560,489	449,411
Vancouver	17,679,364	14,206,245
New Westminster	980,119	601,918
Victoria	[illegible]	[illegible]

Bank Chat

The BANK OF NOVA SCOTIA announces the following staff changes:

G. W. G. WILLIAMSON, formerly manager at Kentville, N.S., has been appointed manager at Yarmouth.

H. N. HUBLEY, formerly manager at Aylesford, N.S., has been appointed manager at Sheet Harbor, N.S.

S. J. MANN, manager at Grand Manan, N.B., is absent on six weeks' furlough and is visiting the Old Country.

T. WILDING has been appointed acting manager for the Dominion Bank at London, England, branch.

J. O. BELANGER, inspector at Montreal for the Banque Provinciale du Canada, and J. A. LANIEL, assistant manager of the Rideau St., Ottawa, branch of the bank, have been appointed joint managers of the main Ottawa branch of the bank pending recovery of J. FELIX SIMARD, manager, from the effects of an automobile accident.

The BANK OF NOVA SCOTIA will not proceed with the construction of its new head office building in Toronto for some time it is understood. Architects are still working on the plans.

The Dominion Bank branch at Centre Island, Toronto, was re-opened last week with C. T. McConnachie as acting manager.

GERALD P. WORSLEY has recently taken over his new duties as manager for the Bank of Montreal at St. John's, Newfoundland. Mr. Worsley was transferred from Ottawa some weeks ago but owing to illness was unable to take over his new duties.

F. HEDLEY MARSH, assistant general manager of the Bank of Toronto, recently visited Winnipeg where he was formerly manager.

The Canadian Bank of Commerce announces that I. A. McPHAIL, assistant inspector at head office, has been appointed assistant manager at Mexico, D.F. The Canadian Bank of Commerce has re-opened the Churchill, Man., branch with F. Fernie as manager. The branch has been closed during the winter months. The Bassano, Alta. branch will be closed on May 31.

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3027

The Royal Bank of Canada

SUMMER HOMES should have this FIRE PROTECTION

FAR from every hope of aid if a blaze takes hold, the inflammable construction of the average summer home makes it a source of danger and anxiety.

Minimize the fire hazard by lining inside walls and ceilings with inexpensive Gyproc Wallboard that *does not burn.*

This building material is made from gypsum rock into sheets 4 to 10 feet long, 4 feet wide and 3/8 of an inch thick. It nails and cuts as easily as lumber and with minimum waste.

Find out from your dealer how inexpensive Gyproc is; how easy to erect. Ask him for full information about its application or request a direction sheet from him.

Besides being fire-resistant, Gyproc has structural strength and insulation value. It is also draught and vermin-proof.

By panelling, you can save the expense of decoration, yet Gyproc is an excellent base for Alabastine, Gyptex or wallpaper.

Send for the free booklet, "Building and Remodelling with GYPROC" 371

GYPSUM, LIME and ALABASTINE, CANADA, LIMITED Paris Ontario

The NEW IVORY GYPROC Fireproof Wallboard

To the Holders *of* WAR LOAN AND VICTORY BONDS

A Statement by the Minister of Finance

IN THE dark days of the War, Canadians loaned to the Government of the Dominion many hundred millions of dollars to enable the operations of the Allies to be carried to a successful conclusion.

When Canadians loaned their money to the Government, they received bonds which were promises to repay them the sum loaned with interest at the rate of 5% or 5½% per annum. On the 1st of October next, $53,000,000 of these bonds become due; on the 1st of November, 1932, the maturity will be $73,000,000; on the 1st of November, 1933, $446,000,000; and, in 1934, $511,000,000 must be provided for.

It would not be prudent, either in the interest of the security holders or the country itself, to wait until these loans become due before providing for their payment or conversion. Action must be taken well in advance of the due dates to protect the credit of the country. The Government believes this an opportune time to afford Canadians the opportunity to exchange the bonds, which they own maturing in the next few years, for new bonds of the Dominion of Canada carrying interest at the rate of 4½% per annum, which is a very attractive return. Prior to the maturity date of the present bonds, those who accept this offer will, of course, continue to be paid interest at the rate as provided by the bonds they exchange.

Canadians who have always shown confidence in their country are earnestly invited to exchange the bonds they now own for bonds of the new issue. By so doing, they will render less difficult the task of providing for the future finances of the country, will enhance its credit and will greatly assist the Government in the present period of worldwide readjustment.

No money will be asked for and no new bonds will be sold at this time. It is proposed to limit the present conversion to $250,000,000, but the Government has the right at its discretion to increase the amount if Canadians indicate a general desire to continue their investments in the securities of their Dominion. The subscription books will close on the 23rd of May.

I earnestly seek the active support of my fellow Canadians in making this conversion, which is one of the largest financial operations our country has undertaken in recent years, creditable alike to Canada and its citizens.

R. B. Bennett

Minister of Finance.

PRUDENTIAL
ASSURANCE COMPANY LIMITED, of LONDON, ENGLAND
ESTABLISHED 1848
Assets Exceed $1,170,000 — Licensed for Life, Fire and Casualty Insurance — Investments in Canada exceed $35,000,000
Head Office for Canada—Dominion Square Building, Montreal
WESTERN BRANCH: Huron & Erie Building, Winnipeg

Operating in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
FIRE AUTOMOBILE WINDSTORM
Insurance in force $180,000,000.00
Assets over 2,700,000.00
Agents required in Ontario.
Write 410 Manning Chambers, Toronto.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Reserves—$36,372,031.45 Surplus—$2,501,088.12
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger — HEAD OFFICE: TORONTO, CAN.

Strength-Stability-Service
Assurances In Force (Dec. 31, 1930)..$492,833,318
Assets $116,662,059
Surplus Funds and Contingency Reserves $12,468,009
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
Established 1869 F1

Organized 1884 — Dominion License
The Portage la Prairie Mutual Insurance Company
Head Office: Portage la Prairie STRATTON, WHITAKER, Manager
Branches:
ONTARIO 210 Dominion Bank Bldg., Toronto — BRITISH COLUMBIA 64 Commerce Bldg., Vancouver
Assets Exceed $1,500,000.00
This Company now extends the benefits of its lower rates to Ontario. We invite your application for the Agency in your District.
FIRE AUTOMOBILE PLATE GLASS
BURGLARY CYCLONE
Western Canada's Oldest Mutual Fire Insurance Company

The most pitiful situation any Life Insurance man has to face is to be forced to tell a widow that her husband had deliberately lapsed the insurance upon which she was relying for future needs.
What a crushing set-back to one already carrying a burden of grief and responsibility.
If you are ever tempted to drop your life insurance, put yourself in *her* place. Think twice before you subject her to such an experience.
Any financial difficulty you may have is probably only temporary. Do not lapse Life Insurance in this or any other company. 12
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE • LONDON, CANADA

Insurance for Buyer and Seller

CODES CHANGED AT RECORD MEET OF ASSOCIATION

Nat. Fire Prevention Group Wades Through Technical Data

Setting a new high record for attendance with a registration of over 1,000, the National Fire Protection Association concluded its annual convention at Toronto last week after consideration of more than a score of reports from technical committees on various aspects of the fire waste problem.

Of particular interest to Canada was the report of David J. Price, engineer of the Bureau of Chemistry and Soils, U. S. Department of Agriculture, and chairman of the N. F. P. A. committee on dust explosion hazards, which contained a complete revision of the standard regulations for the prevention of dust explosions in grain elevators.

1925 Rules Revised

While the majority of the most disastrous dust explosions have occurred in terminal grain elevators, modern elevator construction which has followed regulations designed to reduce this hazard has materially reduced losses since 1925, when the regulations prepared by the N. F. P. A. went into effect. Revision of these 1925 regulations were presented this year incorporating new measures based on recent experience.

The report emphasized that "good housekeeping" is considered the first essential in the elimination of the explosion hazard in grain elevators, and makes clear that the provision of explosion vents and other features specified by the regulations do not lessen the responsibility of the management in this respect.

In addition to the section on grain elevators the report includes regulations for the prevention of dust explosions in wood flour manufacturing establishments, spice grinding plants, starch factories, sugar and cocoa pulverizing systems, and the use of inert gas for fire and explosion prevention.

Certain dusty operations are so hazardous that without special precautions fires and explosions occurring almost daily would render ordinary plant activity impossible. To meet such situations inert gas systems have been developed to conduct the grinding or other dust producing operations in an atmosphere of carbon dioxide or flue gas which will not support combustion, thus eliminating the hazard. Inert gas systems of the type are applicable for the prevention of both dust explosions and gasoline or other vapor explosions. Recommendations are made in the report covering the installation of such systems, together with details of the maximum permissible oxygen percentage with various combustible dusts, sources of inert gas supply, and gas conditioning equipment.

A new report presented for the first time this year was that of the committee on fumigating hazards. The report dealt with the danger of fire arising from the flammable nature of fumigants, and the danger of increased losses when fires start in buildings under fumigation, where the fumigation interferes with access by firemen for fire fighting operations.

The introduction of the report points out that it is not intended to apply to carbon bisulphide fumigation, which "involves hazards such that its use cannot be safeguarded by the precautions listed. The disastrous fire record that has attended the use of this fumigant indicates that it should be prohibited for general use and should be restricted to fumigation in small enclosures, in isolated locations, designed for this specific purpose."

Pier and Wharf Fires

Another report of interest particularly to Canada in view of the disastrous fire at the C. N. R. warehouse at Vancouver last year, was that on piers and wharves. The average loss at these fires according to data compared by the committee is between $100,000 and $200,000 per fire, compared with an average loss per fire in all classes of property of approximately $1,000. The report presented for ratification this year was based on several years study of the problem and embodies a number of revisions in the N. F. P. A. code. An important amendment made at the meeting had to do with installation of automatic sprinklers underneath piers and wharves when the structure was of combustible material.

Recommendations include non-combustible construction, complete automatic sprinkler protection, and the restriction of areas open to the sweep of fire, with particular emphasis on the subdivision of under-deck space where wooden piling may be used. The modern type of steel and concrete pier with steel columns and girders is now accepted as good practice when provided with standard automatic sprinkler protection, the previous requirement for concrete or other fire-proofing for steel members are being waived.

Measures to reduce the increasing fire loss of the aviation industry, which in the last three years has averaged more than $1,000,000 a year from hangar fires alone, was outlined by the aviation committee of the N. F. P. A. Following tentative adoption of the aviation committee's report last year additional studies were undertaken, leading to revisions which will be submitted for formal adoption in a code of good practice requirements for fire and life safety in aviation. The report dealt with arrangement and construction of airplanes, power plant and electrical equipment, fire extinguishing systems, inspection, maintenance and repair, and operation of airports.

Police Benefit Fund Has $2,489,000 Deficit

The Toronto Police Benefit Fund has an estimated deficit of $2,489,000 at the present time according to the report of Prof. M. A. Mackenzie, Sidney H. Pipe and Hugh Wolfenden, actuaries. The committee made several suggestions as to possible measures to be taken in making the fund solvent from an actuarial standpoint.

It is proposed that the city should make annual contributions of $164,758 for 30 years or $143,941 for 40 years. As an alternative, increasing annual contributions starting at a lower figure could be made based on the assumption of annual increases in the city's assessment. These suggestions are based on the condition that present members of the police force continue to pay 7½ per cent of their annual salaries into the fund while new members would pay 9½ per cent.

New Merchants' Director

Dr. J. W. Stevenson, of London, has been elected to the board of directors of the Merchants Casualty Insurance Co. of Waterloo.

R. E. Patterson, who has been general manager and secretary of the company since July, 1926, has been appointed managing director and secre-

Life Company Purchases Show Big Changes, 1930

Insurance Institutions Buy $96,000,000 Fewer Stocks While Other Transactions Reveal Much Slower Tempo

Stock purchases of Canadian life insurance companies during 1930 declined $96,325,000 from 1929 totals according to figures released from Ottawa in the annual abstract of life insurance companies in Canada. Sales and purchases of 26 Canadian companies during 1930 are showed in detail in the abstract and give a complete picture of the investment operations of this important group of companies during 1930. The data are divided into two sections covering the first and last six months of the year. Transactions involving preferred and common stocks provide the most illuminating sidelights on the general trend and reveal some striking contrasts.

In the first half of 1930 purchases of stocks amounted to $46,398,685 and in the second half to $11,345,505, making a total for the year of $57,744,190. These figures compare with purchases of $79,719,261 and $74,350,576 respectively in the first and second periods of 1929 or a total of $154,744,190. The decrease of purchases in 1930 was therefore $96,325,647.

Sales of stocks in 1930 amounted to $15,543,739 as against $97,254,608 for 1929, receipts on this account showing a reduction of $81,710,739 last year.

Another view of the situation is aforded by computing net new investment in stocks in each of the two years. Thus, in 1929 total purchases were $154,069,837, against sales of $97,254,608, which means that net new investments in stocks during that year approached $57,000,000 compared with something under $42,250,000 in 1930.

Net investment in bonds, similarly, deduced, amounted to almost $14,000,000 in 1929 dropping to $9,368,005 in 1930. Mortgage loans made in 1929 exceeded repayments by $32,495,086; those for 1930 by $23,871,462.

Loans against collateral, which amounted to $10,148,463 gross in 1929, were but $1,174,443 in 1930. Repayments in the former year amounted to $5,502,108 and in the latter to $5,424,752 showing a decided reversal in the position.

On the other hand, policy loans in 1930 were $9,500,000 in excess of those made in 1929, although the net amount, after deducting repayments including surrenders and maturities, was but $643,000 more.

Heavier acquisitions in real estate are also apparent in 1930, the figures, after deducting sales in the respective years, being $13,280,868 in 1930 against $6,969,710 in the previous year.

Details of the various transactions summarized by groups are as follows:

MOVEMENT OF SECURITIES
(26 companies)

Jan. 1 to June 30	1930 $	1929 $
Bonds & debs.:		
Purchased	27,482,094	34,329,911
Sold or mat.	21,649,177	19,192,828
Stocks:		
Purchased	46,398,685	79,719,261
Sold	9,406,240	42,125,257
Mortgage loans:		
Made	27,120,317	33,535,973
Repaid	14,461,578	18,137,884
Collateral loans:		
Made	748,722	163,968
Repaid	5,451,865	266,972
Policy loans:		
Made	42,910,441	36,924,408
*Repaid	25,067,854	21,694,083
Real estate:		
†Purchased	6,273,435	4,776,343
‡Sold	1,438,076	1,472,319
July 1 to Dec. 31	**1930 $**	**1929 $**
Bonds & debs.:		
Purchased	24,759,056	27,301,322
Sold or mat.	21,223,967	28,488,014
Stocks:		
Purchased	11,345,505	74,350,576
Sold	6,137,499	55,129,351
Mortgage loans:		
Made	25,995,881	34,310,401
Repaid	14,783,158	17,213,404
Collateral loans:		
Made	425,721	9,984,495
Repaid	50,243	5,157,780
Policy loans:		
Made	45,649,291	42,102,375
*Repaid	29,951,518	24,435,323
Real estate:		
†Purchased	11,936,287	5,348,552
‡Sold	3,490,778	1,682,866

*Including surrenders, death and other maturities.
†At price or value at which transferred to real estate account.
‡Includes installments on or balances of sale price.

LIVERPOOL, GLOBE REPORTS SURPLUS OF $1,359,670

Dividend Paid in 1930 Higher Than Previous Year

From Our Own Correspondent

MONTREAL.—Underwriting surplus of Liverpool and London and Globe Insurance Co. in 1930, after making full provision for all outstanding liabilities and increase in reserves for unexpired risks, was $1,359,670. Total funds were increased by $3,050,925 to $123,463,230.

Premiums in the fire department amounted to $23,496,220. Losses were $11,624,295 and after payment of expenses and provision for reserves, a balance of $1,281,700 was transferred to profit and loss account.

Accident Income in 1930

Premium income of the three accounts in the accident department was $28,479,450 while claims were $18,293,820. The sum of $182,420 was transferred to profit and loss account bringing the total to $35,660,785.

In the life department, 3,836 policies were issued during the year, amounting to $9,516,445 an increase of nearly $1,000,000 over 1929. Net premium income was $3,762,200 and claims totalled $2,274,555. The life funds now amount to $44,605,285 an increase of $2,442,540.

NEW APPOINTMENTS BY MANUFACTURERS

At the meeting of the board of directors of the Manufacturers Life Insurance Co. on Tuesday, May 12, M. Ross Gooderham was appointed vice-president and general counsel, George H. Cassels, K.C., a member of the legal firm of Blake, Lash, Anglin & Cassels, Toronto, was elected a member of the board of directors to fill the vacancy caused by the death of E. R. C. Clarkson, and J. H. Lithgow, A. I. A. F. A. S. was appointed general manager and actuary to succeed the late J. B. McKenzie.

The new general manager commenced his insurance career with the Manufacturers Life, starting as a clerk in the actuarial department in July, 1908, following graduation from Trinity College School, Port Hope, Ontario. In March, 1919, Mr. Lithgow became assistant actuary, in January, 1924, he was promoted to actuary. In January, 1930, he was appointed assistant general manager and actuary. Mr. Lithgow is an Associate of the Institute of Actuaries of Great Britain, of the American Institute of Actuaries and a Fellow of the Actuarial Society of America.

New General Manager

J. H. LITHGOW, A.I.A., F.A.S., formerly assistant general manager and actuary of the Manufacturers Life, now appointed general manager and actuary to succeed the late J. B. McKechnie.

Metropolitan Life Increases Salaries

A majority of the 650 clerical employees at the Canadian head office of Metropolitan Life Insurance Co. at Ottawa have received salary increases of from $10 to $25 per month. The raise became effective May 1 although announcement was not generally made until May 12.

Henry E. North, third vice-president of the company and manager in charge of Canadian head office, states that the company has more employees on its payroll than at this time last year and that business has continued to be satisfactory.

LAPSES CAUSE HEAVY LOSSES IN PAST YEAR

Abstract Figures Reveal $577,000,000 Lapsed or Surrendered

Over $577,000,000 of life insurance was either lapsed or surrendered in Canada during 1930 according to figures released this week in the Dominion Government Insurance abstract for 1930. This is a 26 per cent increase over 1929 and which showed corresponding figure of $456,000,000, despite the fact that approximately $73,000,000 less business was written in 1930 than in 1929.

The significance of this figure becomes more apparent when it is realized that it represents more, almost 57 per cent of the total new business written in 1930 as compared with a corresponding ratio in 1929 of 42 per cent.

The amount of life insurance which lapsed (apart from surrendered policies) was $404,728,000 in 1930 or 40 per cent of the total of new business written as compared with $322,500,000 or 29 per cent of total in 1929. The total business surrendered was $172,328,000 or 17 per cent of gross new business written as compared with $134,216,000 or 12 per cent in 1929.

Industrial Business Blamed

The abnormally high figure for 1930 is due largely to the more than usually poor showing of industrial business. Taking industrial figures alone for the half dozen companies writing this business in Canada, it is found new business issued in 1930 was $175,233,000 of which 93 per cent or $162,600,000 either lapsed or surrendered. If industrial business is subtracted from the total of all business, it is found that out of total ordinary and group business written during the year only 24.2 per cent was allowed to lapse or surrendered as against a total of 57 per cent for all types of business.

The following table shows the results for 1930 and 1929, according to various company groups:

Policies Lapsed	1930 $	1929 $
Canadian Co's:		
In Canada	240,999,003	192,290,200
Outside	134,061,742	87,517,265
Total	375,060,745	279,807,465
Foreign Co's:		
In Canada	156,048,187	123,799,783
British Co's:		
In Canada	7,681,180	6,415,824
Total (in Canada)	404,728,370	322,505,807
Policies Surrendered	**1930 $**	**1929 $**
Canadian Co's:		
In Canada	115,479,457	90,915,995
Outside	80,656,999	62,440,868
Total	196,136,456	153,356,863
Foreign Co's:		
In Canada	52,490,283	39,637,090
British Co's:		
In Canada	4,358,376	3,663,219
Total (in Canada)	172,328,065	134,216,304

Insurance Inklings

ALEX. MACDONALD has been appointed general manager of the "Royal Exchange." Mr. MacDonald was Canadian manager of the Royal Exchange from 1928 to 1930 when he took over a position at head office.

The Western Canada Underwriters' Association, fire and automobile branch, will hold its annual meeting on May 27 at Holst Point Hotel, Minaki, Ont.

CLARENCE A. J. MILLER, eastern Ontario manager at Ottawa for the Northwestern Mutual Fire Association, has been appointed to also act as provincial manager for Quebec with headquarters in Montreal.

A. H. S. STEAD, manager of the Western Canada Insurance Underwriters, Winnipeg, for the past 21 years, has been appointed manager of the Dominion Board of Fire Underwriters with headquarters in Montreal. Mr. Stead will be succeeded in the west by L. T. CHADWICK, secretary of the Western Canada Insurance Underwriters' Association.

CHARLES MEAD, manager of South Saskatchewan branch of the Canada Life, celebrated the 15th anniversary of his service with the company by writing a $200 monthly immediate life annuity bond representing a cash payment in full of $24,187. Mr. Mead has been manager of South Saskatchewan branch since March, 1923, and has been a member of the Quarter Million Club since his first year with the company.

Candidates to the number of 206 wrote examinations leading to the degree of Chartered Life Underwriter during April. Of the total 148 wrote third year papers, with 13 who wrote supplementals; 47 wrote second year and 85 wrote first year papers.

Poor Showing in '30 For Industrial Ins.

The unsatisfactory record of industrial insurance and the phenomenally high rate of lapsation in this type of business in Canada is emphasized by figures in the 1930 insurance abstract, published from Ottawa this week. Total new business issued by the five companies actively engaged in this field in Canada amounted to $175,223,716 while nearly 93 per cent of this total was lost by lapsation and surrenders the figures being as follows: terminated by lapsation, $130,081,400; terminated by surrender, $32,642,777. Business in force at the end of the year is given as $854,398,800 as compared with $822,403,000 at the beginning of 1930.

Compared with 1929, lapsations of the three leading companies writing this business in Canada, have increased by approximately one-third, while surrenders have increased by about a like percentage. This is in spite of the fact that total business written during the year was about 5 per cent less than in 1929.

Comparative figures for the three leading companies in 1929 and 1930 and a summary table for all companies, 1930 business in Canada are given below:

INDUSTRIAL BUSINESS IN CANADA

Surrendered	1930 $	1929 $
Metropolitan	14,987,402	10,403,771
London	7,214,799	5,256,957
Prudential (America)	9,627,648	7,312,249
Lapsed		
Metropolitan	46,778,674	34,270,724
London	38,767,811	29,202,147
Prudential (America)	42,596,977	35,117,138

	Gross Bus. in Force Jan. 1, 1930	New Issued, 1930	Surrendered	Lapsed	Gross Bus. in Force Dec. 31, 1930
Metropolitan	$381,469,064	$68,871,948	$14,987,402	$46,778,674	$393,398,570
Prudential	284,451,790	55,887,613	9,627,648	42,596,977	297,672,871
London	140,455,204	53,658,764	7,214,799	38,767,811	147,489,637
Mutual Citizen	15,417,748	2,133,571	798,894	1,742,230	15,270,325
Royal Guardian	598,455	171,820	13,737	195,712	562,280
Excelsior	10,746	......	297	......	10,133
	822,403,007	175,223,716	32,642,777	130,081,404	854,398,816

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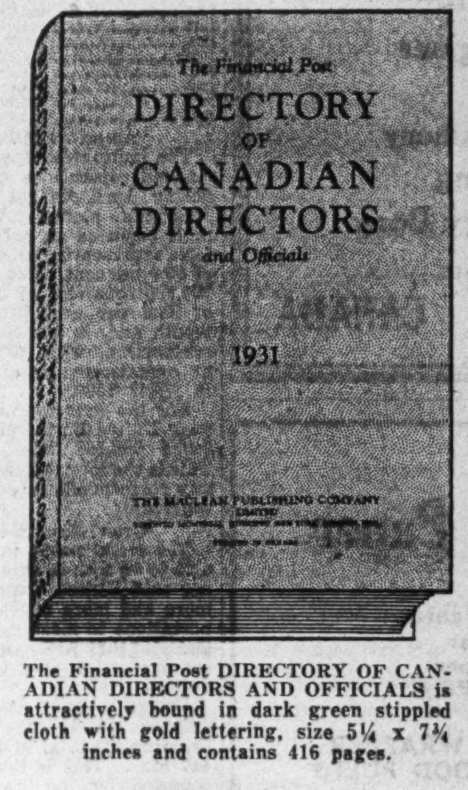

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Canadian Pulp and Paper News

April Newsprint Output Records Forward Step; Gain More Than Seasonal

Ratio of Operations on Better Level Last Month

SHIPMENTS HEAVIER

Eight-Year Comparison Shows Production This Year on About Same Basis as 1928

From Our Own Correspondent

MONTREAL.—Canadian newsprint production in April amounted to 205,752 tons, registering a substantial advance over the 187,005 tons produced in March. The importance of the advance is tempered by the fact that output in April of 1930 and 1929 totalled 221,050 and 220,270 tons, respectively. As compared to March, however, the gain appears to be more pronounced than in former years.

There was no change in the rated capacity of Canadian mills last month—12,376 tons daily—so that the operating ratio advanced from 58.1 to 64.0 per cent. This is the best figure recorded since last November. On the other hand, it is the lowest ratio of operations recorded for any April in the last decade.

Year's Total Lower

For the first four months of 1931, Canadian plants produced 737,260 tons of newsprint. This was approximately 75,000 tons under that reported for the same period in 1930, but still compares favorably with output in the past five years.

From the following table, it will be noted that production during the first four months of the year increased steadily year by year up to 1929, since when there has been a steady decline. It would appear from the figures issued that production for 1931 will maintain an average approximating that of 1928.

	Tons — April	Tons — January-April
1931	205,838	740,118
1930	228,048	832,851
1929	221,784	840,565
1928	192,646	764,901
1927	166,460	654,264
1926	151,739	581,183
1925	129,079	492,945
1924	116,283	452,322

Record Daily Output

In analyzing production for last month, it is noted that both the rating and actual daily tonnage output are the highest ever recorded for that month. The volume of production per operating day totalled 10,328 tons as against 10,267 tons in April last year. It is interesting to note that output in April, 1931, was double that recorded in the same month of 1925.

The manner in which excessive installation of newsprint machines has dragged down the operating ratio, is apparent from a study of the following table:

April:	Tons — Rating per day	Tons — Actual daily output	Per cent of rating
1931	12,376	10,328	64.0
1930	11,700	10,267	75.0
1929	10,018	9,026	85.1
1928	9,187	8,355	84.3
1927	7,500	6,983	85.4
1926	5,923	5,811	98.6
1925	5,152	4,964	96.2
1924	4,724	4,451	94.2

Consumption Still Low

Consumption of newsprint, as evidenced by records of shipments, continues below that reported for 1930, 1929 or 1928. Last month Canadian mills shipped 205.752 tons, compared with 221,050 tons in April of the preceding year. For the first four months of 1931, shipments totalled 737,260 tons. While this is below the figure set for the same period in the three preceding years, it is still well above the average of the past eight or ten years.

	Tons — April	Tons — January-April
1931	205,752	737,260
1930	221,050	811,414
1929	220,270	833,778
1928	193,443	756,211
1927	168,511	643,003
1926	154,015	579,176
1925	125,740	489,365
1924	114,647	445,738

American Mills Easy

The improvement noted in Canadian mill operations and production during April did not extend to the American plants. United States mills reported an output of 102,450 tons, representing an operating ratio of 69.6 per cent. This compares with 100,590 tons and an operating ratio of 68.4 per cent in the preceding month and, in the more significant comparison, with 109,967 tons and an operating ratio of 77.7 per cent in April, 1930.

For the first four months of this year United States plants manufactured 393,148 tons of newsprint. This is the lowest figure recorded for any corresponding period in the last ten years.

Grow More Dependent

The trend noted in production is also to be seen in shipments, indicating that United States is becoming more and more dependent upon importations to meet its requirements, and also that American manufacturers are giving way to foreign producers.

During April American plants shipped 101,819 tons of newsprint, bringing the total to date up to 393,447 tons. This is the lowest figure reported for the first four months of any year since 1920.

Aggregate Output Declines

In reporting newsprint production for all North American mills, the News Print Service Bureau shows a total production during the first four months of 1931 of 1,233,609 tons. This compares with 1,390,458 tons in the corresponding period of 1930. Further, it is interesting to note that the production this year is the smallest recorded since 1926, when 1,201,343 tons were produced.

The only North American division to report increased production of newsprint for 1931 is Newfoundland, whose output of 95,318 tons for the four months compares with 91,112 tons last year.

Stocks Still High

The stocks of newsprint on hand in the United States and Canadian mills continues on a comparatively high basis, the figure for the end of April being 74,043 tons, or roughly 3,500 tons more than on the same date a year ago. Put in another way, stocks on hand at the end of April were equivalent to 4.1 day's average production, which, of course, does not bear any direct relationship with consumption.

St. Maurice Valley Preferred Declines

From Our Own Correspondent

MONTREAL.—Representing a decline of 46 points from the previous sale, a block of 25 shares of St. Maurice Valley Corp. recently changed hands at 4 on the Montreal Stock Exchange. There is $10,000,000 of the issue outstanding.

Though no announcement has yet been made regarding details of the reorganization of the parent company, Canada Power and Paper, values of preferred shares of subsidiaries indicate that investors look for a very thorough paring down in the capital structure.

St. Maurice Valley Corp. passed its preferred dividends in April, 1931, and bond interest will likely be defaulted. The preferred stock was originally offered in 1925 at par carrying a bonus of one-fifth share of no par value common stock.

COAST MILLS EXTEND SALES OF FINE PAPER

Say No New Reduction in Newsprint Price Likely

From Our Own Correspondent

VANCOUVER.—British Columbia pulp and paper mills are gradually extending their markets in the Rocky Mountain states and down the Pacific Coast. Powell River Co. has greatly developed its newsprint sales in California and other western states. Powell River Co., Pacific Mills and other coast mills are finding it easier to meet the opposition of eastern mills as their volume of production increases.

Coast mills already have gained over eastern plants in newsprint and coarse papers, particularly butcher papers, cheap sulphite bonds, flat writings, mimeograph papers, kraft, bags, tissues and other staples. In converted items as well they have reached a competitive stage and are now getting a full share of the business in waxed papers, transparent wrapping paper, adding machine rolls, and so on.

Says Newsprint Price Stable

Freight rates in the Rocky Mountain region are a vital factor—more so than in any other section of the country. These rates are not proportionate to the haul and thus distance from the mill is not the determining factor. In this way eastern mills are on a more directly competitive basis with the nearer coast mills, although in some cases the rates from the coast are lower, particularly on heavy tonnage classifications. This situation has led to the tendency to buy bulk shipments from the coast and finer papers from the east. Coast paper producers are being advised to increase their lines so as to encourage carload shipments and thus meet eastern competition more effectively.

Meanwhile the newsprint situation remains unchanged on the coast. There have been reports of a coming price softening, but A. E. McMaster, general manager of the Powell River Co., largest newsprint producer on the coast, declares that reductions are not contemplated.

"To follow competitive conditions and their economic trend, the Pacific coast mills reduced their price last October," said Mr. McMaster. "At that time the eastern mills did not follow the Western reduction. The present Eastern reduction in price is about the equivalent of the Pacific Coast reduction last fall and it is unlikely to affect the Pacific Coast prices at this time, as the prices east and west are now about in line."

Canadian Pulp Exports to States on Lower Scale

From Our Own Correspondent

MONTREAL.—Exports of Canadian pulp to the United States during the first quarter of 1931 fell of appreciably, compared to the corresponding period last year. During the first three months of 1931, the United States received from Canada 78,080 tons of sulphite pulp, 12,012 tons of sulphate and 38,726 tons of groundwood pulp.

Comparative figures for the first quarter of 1930 follow; sulphite, 113,229 tons; sulphate, 24,774 tons and groundwood pulp, 72,050 tons.

Title Guarantee and Trust Adds Two Members to Board

From Our Own Correspondent

MONTREAL.—Additions to the board of Title Guarantee & Trust Corp. of Canada were made at the recent meeting of directors in the appointment of Julian C. Smith, vice-president of Shawinigan Water & Power Co. and John S. Norris, vice-president of Montreal Light, Heat & Power Consol.

Soviet Paper Plans May Affect Canada

From Our Own Correspondent

MONTREAL.—Soviet Russia as a competitor of Canada in the world's newsprint paper markets is a possibility which may eventualize, if plans of that country develop successfully.

In its issue of March 28th last, the German trade publication, Papier-Zeitung says that according to plans of the directors of the paper union of Soviet Russia, the paper industry "shall" increase its production by 105,000 tons this year, reaching an output of 597,000 tons. The increase will mostly affect the higher price grades, but it is interesting to note that plans call for a 46 per cent increase in newsprint production.

INTER. PAPER CO. OFFER CUSTOMERS LONGER CONTRACT

New Six-Year Schedule Calls for Lower Prices

From Our Own Correspondent

MONTREAL. — International Paper Co. has fallen in line with the Canadian producers and reduced the price of newsprint, thus putting it on a competitive basis.

According to an official statement, International Paper has notified its customers of a new schedule based on a six-year contract, which would expire on December 31, 1936. The terms offered stipulate a maximum price of $62 a ton at New York for the period; an average price for the period of $59 per ton and with a price from April 1, 1931, to De-December 31, 1932, of $57 a ton at New York.

The recent reduction announced by the Canadian producers was from $55 to $50 a ton, mill price. Addition of approximately $7 a ton to these figures gives a comparative basis with International's new price.

Provide Price Stability

It will be seen that not only has International Paper met the $5 a ton reduction this year, but for the following year as well. The company has provided, moreover, that thereafter until the expiration of the contract, the price shall not exceed $62 and an average for the period shall not exceed $59.

One motive back of the six-year contract is an attempt by International to provide some stability of price during the next few years, in which period important changes are expected to take place in the industry.

Has Three Objects

The official statement says in part that the programme submitted is designed to accomplish three things—give immediate and substantial assistance to customers in the cost of their newsprint paper; to promote as far as possible uniformity and stability of price over a long period; and to guard customers against drastic upward reactions.

At the present time, most of International's customers have contracts which do not expire for about two and a half years. The benefits of the stabilized price over the next six years are expected to appeal to customers and that the majority will enter into new contracts with the company.

Would Help Merger

Another angle to be seen in the announced schedule is that with a stabilized price schedule, plans can go ahead on contemplated mergers. As has been pointed out in these columns for several weeks past, International Paper is negotiating with the Backus-Brooks interests, the result of which may be the absorption of the latter by the former. Under such protection as offered in the long term contract, merger plans could reasonably go ahead, relieved of publisher opposition, removing, as it would, any misconception by the publisher, of the purposes and possible effect of the merger.

NEWSPRINT TRADE LOWER THIS YEAR

Exports in First Three Months Record Decline

From Our Own Correspondent

MONTREAL.—Exports of newsprint from Canada during the first quarter of 1931 aggregated 498,141 tons. This compares with 588,229 tons in the corresponding period last year.

Comparison of the returns for this year with those of 1930, show a decline in shipments to the United Kingdom, Cuba, Jamaica, Argentina, Australia, New Zealand and United States. On the other hand, increased exports were recorded to "other" Latin-American countries, South Africa and "miscellaneous.'

Decline 16 Per Cent

Particulars of exports follow:

	Tons — Three Months 1931	Tons — Three Months 1930
United Kingdom	11,359	24,673
Cuba	2,381	2,577
Jamaica	269	279
Argentina	10,251	18,022
Other Latin America	3,650	1,596
South Africa	4,042	3,454
Australia	6,706	15,464
New Zealand	4,599	5,253
All other	4,332	1,607
Overseas total	47,588	72,925
U. S. A.	450,553	515,304
Grand total	498,141	588,229

U. S. BUYS LESS EUROPEAN PAPER

Imports in First Quarter of 1931 Behind Those of Last Year

From Our Own Correspondent

MONTREAL.—Imports of European newsprint into the United States during the first quarter of 1931 totalled 11,648 tons to the value of $520,333. This compares with newsprint importations from a similar source during the corresponding period of 1930 amounting to 14,770 tons, having a value of $719,809.

Detailed returns, based upon the report of the United States Dept. of Commerce, show that Finland shipped to the United States 3,762 tons of newsprint worth $164,802 during the initial quarter of this year, as compared with 4,359 tons valued at $200,409 in the same period a year ago.

German Imports Heavier

Curiously enough, imports from Germany this year are nearly double those of 1930, returns showing imports of 2,146 tons valued at $91,298 in the first quarter of 1931, as against 1,198 tons, worth $58,467 in the corresponding period a year ago.

There was an increased demand for Norwegian newsprint paper, as evidenced by the fact that imports advanced from 1,277 tons, valued at $61,945 in the first quarter of 1930, to 3,063 tons worth $154,046 in the first three months of 1931.

Imports of Swedish newsprint were affected by labor conditions, dropping from 7,936 to 2,646 tons in the first quarter of this year. The dollar value showed a decline from $398,986 to $108,673.

Canada's Funded Debt

Canada's funded debt at Dec. 31, 1930, was $2,354,705,224. The debt was payable as follows: In Canada, $1,777,123,188; in London, $311,668,136; in New York, $265,913,900.

PULP PRODUCTION DECLINE REFLECTS PAPER CONDITIONS

Groundwood and Sulphite Needs on Smaller Scale

From Our Own Correspondent

MONTREAL.—Production of groundwood and sulphite pulp in Canada and the United States continues to reflect the decline in paper output.

During March, Canadian groundwood mills produced 111,662 tons, as against 133,482 tons in the same month a year ago. Cumulative production for the first quarter of this year totalled 326,501 tons, or approximately 75,000 tons less than for the same period a year ago.

American mills record a somewhat similar situation, with production in March totalling 75,154 tons, compared to 106,205 tons in March, 1930. For the first quarter of 1931, American plants turned out 208,344 tons of groundwood pulp, down from 288,060 tons for the corresponding period last year.

Keep Stocks Low

With the decline in production, there has been a corresponding drop in stocks of groundwood pulp. The American mills reported 48,190 tons of groundwood on hand at the end of March last, while Canadian plants had 7,621 tons, making an aggregate of 55,811 tons. On the same date a year ago, American mills had on hand 64,662 tons and Canadian plants 10,359, or a total of 75,021 tons.

Sulphite Output Lower

Sulphite pulp production in Canada during March totalled 34,777 tons, or roughly 22,000 tons under that reported for the same month a year ago. For the first three months of the year, cumulative production amounted to 106,739 tons which was roughly 54,000 tons under that reported for the same period of 1930.

American plants manufactured 29,331 tons of sulphite pulp in March, compared to 38,734 tons in March, 1930. Production for the first quarter of 1931 amounted to 88,622 tons being a decline from the 114,590 tons produced in the initial quarter last year.

Like groundwood, sulphite stocks show a substantial decline. Canadian mills reported 6,726 tons on hand at the end of March, while American plants had 5,203 tons, or a total of 11,929 tons. On the same date in 1930, American mills had on hand 7,858 tons and Canadian plants 11,434 tons, making an aggregate total of 19,292 tons.

Mersey Paper Mill Setting New Marks

From Our Own Correspondent

MONTREAL.—New production records have been established at Mersey Paper Co.'s mill at Liverpool, N.S., this month. Equipped for daily production 250 tons of newsprint, the production figures for one day were 284 tons and this was followed by a new high record of 294½ tons made at the middle of the month.

Since the opening of the Mersey Paper Co.'s plant a little over a year ago, approximately 100,000 tons of newsprint have been produced. From the production standpoint April was a record month in the plant's history.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
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Howard Smith Paper Omit Preferred Stock Dividend

From Our Own Correspondent

MONTREAL.—Directors of Howard Smith Paper Mills Ltd. have decided to omit the regular quarterly dividend of 1½ per cent on the preferred stock, usually payable on June 1. This action is in line with expectations, because, as was pointed out in The Financial Post last week, earnings of the company have not been on a scale sufficient to warrant continuance of this payment, without more definite assurance of an upturn in business. The company now has outstanding $4,500,000 of 6 per cent cumulative preferred stock, on which the dividend requirements amount to $270,000 per annum.

Omission of the preferred dividend at this time is indicative of the fact that conditions in the fine paper trade are not much better than in the newsprint division. Though not faced with the same problems as the latter section, the fine paper makers' business is more readily influenced by the ups and downs of business.

Started Last Century

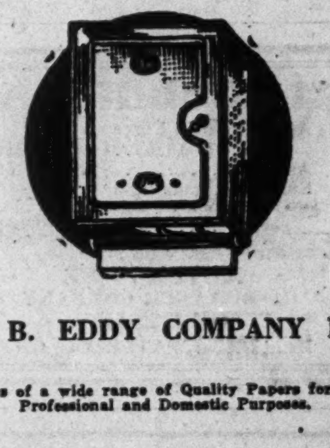
Howard Smith Paper Mills Ltd. came into being early in 1928, but the company as an operating unit has been in existence since 1899. From a small wholesale jobbing business in high-grade bond and ledger paper, the company has expanded and branched out until today it is the largest fine paper maker in the Dominion.

Control of the organization was in the hands of Howard Smith until 1928 when Holt, Gundy & Co., Montreal, purchased the outstanding common stock for $150 a share. At this time the company was reorganized, $7,000,000 of first mortgage bonds and $4,500,000 of preferred stock being offered to the public.

The financial statement for the last nine months of 1928, under the new management, showed the preferred dividend earned by a substantial margin. The report for 1929 indicated the dividend as earned 2½ times over, while the statement for 1930 showed earnings just sufficient to cover the preferred dividend, without taking into consideration payment apparently due on a lease between the company and St. Maurice Valley Corp.

Paper Factory Expands

To meet with an increasing demand for paper specialties, Card & Paper Works, Ltd., Peterborough, Ont., are doubling the size of present plant. The most up-to-date machinery will be installed in the new section.

EDDY'S ONLIWON TISSUE CABINET
Protects Health and Prevents Waste
A neat and unobtrusive Tissue Cabinet finished in gleaming nickel or immaculate porcelain, whichever you prefer.
The Onliwon Cabinet prevents waste by serving two sheets only at one time. The fact that the Tissue is thoroughly sterilized and that it is kept entirely free from dust in this handsome fixture are health protection features worthy of consideration.
Onliwon Cabinets and refills of Eddy's Sterilized Tissue are sold by dealers everywhere.

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Manufacturers of a wide range of Quality Papers for Commercial, Professional and Domestic Purposes.

Secure This New Book!
THE FINANCIAL POST SURVEY OF
CORPORATE SECURITIES
1931
THE new edition of The Financial Post Survey of Corporate Securities to be published about May 30th will be of the greatest possible value to investors. In comparison with previous years it will show the earnings and balance sheets of over 1,300 Canadian companies for the difficult year of 1930.
Every word and figure are revised from last year—complete information is given about each company in a compact, concise manner.
All new companies formed in the last year are covered.
A new section on Fixed Trusts is being added to the chapter on Investments Trusts.
Each chapter will be introduced by an analysis and review of the industry as a whole and the relative position of principal companies will be discussed.
Send your $2.00 now so that you will be one of the first to receive a copy.
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Attached is my $2.00. Send me a copy of The Financial Post Survey of Corporate Securities, 1931, as soon as it comes off the press, about May 30th.
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FRONTENAC OIL CURRENT TRADE BEARS UP WELL

Profit-Sharing Agreement With Senior Officials Receives Approval

From Our Own Correspondent

MONTREAL.—Pointing out that the company was not in the producing end and was thus able to take advantage of low prices of crude in large oil fields, John Irwin, president, told the shareholders at the annual meeting of McColl-Frontenac Oil Co., that operations in the first quarter of the current fiscal year had been on a better basis than for the corresponding period a year ago; further, it was the expectation that this condition will continue.

In dealing with recent and current operations at the company's plants, Mr. Irwin stated that the refinery at Montreal East had created a world record for continuity of operation, operating for 64 days and 5 hours without stop. The new boat terminals at Halifax, Saint John, and Kingston were completed and filled immediately on the opening of navigation. These would mean a considerable saving in the company's transportation costs.

In commenting on the bad debt reserve shown on the company's balance sheet, Mr. Irwin stated that this had special application to the situation in the West, and that every account on the books, prior to last year, whether good or doubtful, has had a reserve set up against it.

Profit Sharing Plan

The most important business before the meeting was the approval of a profit sharing plan proposed by the management as the most satisfactory method of encouraging achievement among those concerned with the prosperity of the company.

Of the two methods of providing a stimulus, increased salaries or the bonus plan, the former method was regarded as being somewhat of a fixed charge, whereas the latter suited the particular situation in any one year, whether it be one of depression or prosperity.

The plan of profit sharing as approved by the shareholders, provided that annually there be set up a trust fund, consisting of 10 per cent of the balance after the following deductions in net earnings: 9 per cent on the company's bonds, 9 per cent on its preferred stock, and 6 per cent on the amount invested in common stock of the company. The fund thus created will be distributed on the following basis: 15 per cent to the directors, who are neither salaried officers or employees, and 85 per cent to the officers selected by the committee as worthy of special remuneration.

The term "net earnings" is defined as the profit remaining after taking care of operating expenses, bank interest, and other similar charges, but before depreciation and other reserves.

Wages

Brief Views and Happenings From Week to Week

The Seven Dangers of wage reductions are listed by the American Federation of Labor as follows:

1. Workers good will is essential in any industrial undertaking, but wage cuts cause discord and strife.
2. Savings from wage cuts are much less than is commonly relieved. Greater savings can be effected by introducing production improvements, more careful buying, more efficient sales policies, etc.
3. The decline in cost of living has not made up for workers income losses through part time work and unemployment.
4. Industry has suffered from wage losses, due largely to failure of workers buying.
5. Wage cuts will limit workers buying for years to come.
6. Severe wage reductions in the past have been accompanied by far more drastic price declines than the present.
7. Wage cuts are not like price reductions. Workers are human beings and wage cuts mean deterioration in their scale of living; often permanent loss of opportunity and mental or physical decline.

"I Have Canvassed the principal industries, said Robt. P. Lamont, Secretary of Commerce, U.S.A., recently, as he inaugurated a complete overhauling of the U. S. Employment Service, "and I find no movement to reduce the rates of wages. On the contrary there is every desire to support the situation in every way." Secretary of Labor William N. Doak, also came to the defense of employers, pointing out that pay roll totals in more than 13,000 manufacturing establishments last month showed an increase of nearly 10 per cent, accompanied by an increase of only 3 per cent in employment. These statements and opinions represent clearly the official opinion on the wage question at Washington.

Proposals of Britain's four railroad groups to effect wage and salary cuts totalling approximately $47,000,000 in one year as part of a current retrenchment policy, have been pared down by the British National Wages Board to $20,000,000.

The National Wages Board whose function it is to examine and pass upon proposed savings to industry through wage reduction, ruled that in the case of the railroads the suggested cut was too drastic and substituted its own figure.

Ontario Department of Agriculture in its April crop bulletin says regarding labor and wages:

"Even at reduced rates of wages there is plenty of labor offering. All that offers is not skilled for the needs of special localities. There is, however, more than ample good help available. The number of transients looking for farm work is greater than for many years. Wages on the whole are 25 per cent lower for experienced men. Some cannot find any employment at all. Demand for any kind of help may be said to be absent. The wage tendency is lower. The farmer himself is short of money. A Huron correspondent remarks:—"Farmers are not inclined to hire at any wage." Quite a number of men took places for winter for their board, or a small wage. The labor market has not shown any improvement in using some of these men for the summer. Farmers in better circumstances are taking advantage of low wage scales to hire by the year. If this were more general it would absorb a large proportion of the experienced men. The Peel agricultural representative notes a decrease in the number of farm hands placed this spring as compared with 1930. Married men are holding their present positions—not moving as in other years. He places the average wage for single, experienced farm hands at $25 per month and for married couples around $40 per month."

Little Complaint Voiced Against Grain Exchange In Future's Trade Probe

By Our Western Editor

WINNIPEG.—Although the report of the Royal Grain Commission, under the chairmanship of Sir Josiah Stamp, cannot be released until Sir Josiah has returned the proofs of the report and Premier Bennett's précis of it from England, some aspects of the enquiry itself are worth recording.

Background of Knowledge

The commission worked with great rapidity. The chairman's natural celerity was assisted by the encyclopedic knowledge of the grain trade and of grain prices possessed by one colleague, W. Sanford Evans.

It was an economic and not a judicial enquiry. It was not limited to the evidence actually placed on record, and the chairman showed that he had made himself familiar, by careful study of available literature and reports, with the field.

Counsel had never taken so small a part in public proceedings of an enquiry. Partly this was due to the fact that much of the evidence was given by way of prepared statements, and partly to the fact that Sir Josiah himself conducted most of the questioning.

No Prying Into Pool

There was no prying into the affairs of the Pool. Indeed, until Pool representatives came forward in the closing hours of the public sessions to make suggestions for government regulation of the futures market, the commission appeared to be ignoring the Pool as a source of information. If Sir Josiah even saw John I. McFarland, now in charge of the selling of Pool wheat, and with a greater responsibility on his shoulders for grain marketing than any other man in Canada, the fact did not appear upon the record. If the commission knows that the Pool is in any difficulties, they must have learned it elsewhere than in evidence presented. But after all this studied avoidance, the commission, just at the close of its public sessions, was pushed into a headlong dive into the Pool. Its president, A. J. McPhail, who elsewhere is asking for a system of marketing that would eliminate the public market, asked for continuous government supervision of the public market. This, not because he knew of anything wrong (and he said he did not know), but in order to obtain information. Questioning then revealed the Pool as the largest trader on the futures market, with total transactions of possibly eighty to a hundred million bushels a year. Mr. McPhail said the Pool did not use the futures market for hedging. Such transactions he did not consider to be speculative, whether they were made to hold grain or in the hope of influencing prices. Sir Josiah concluded that evidently it was possible to use the futures market for the farmer's benefit.

Pool Farmers' Experience

But at that the commission was only paddling in the Pool. The dive came when the Pool statistician, Mr. Cairns, presented an argument to show that it paid the farmer to carry his own risk instead of depending upon the futures market. A comparison of Pool prices with those available outside of the Pool, to see whether or not it did pay a farmer to be a Pool member, and to share in carrying the risk, then became pertinent. Non-Pool farmers, it had already been shown, averaged a price basis of $1.32 per bushel in 1929. Pool farmers, it is known, got a price basis of $1 and were "over-paid" at that. The Pool can have no grounds for objecting if the commission chooses to comment upon such matters.

The Grain Exchange, as an institution, came off remarkably well. There was not only a complete absence of any definite complaint, but an absence even of suspicion of irregularity in its conduct of business.

Pool Declares Open Mind

The farmers' "educational institutions,"—the United Farmers of Manitoba, the United Farmers of Alberta and the United Farmers of Canada, Saskatchewan section, each of which presented a brief, did not show up well. Speculation was attacked in general terms by spokesmen for all three, but their cases did not agree with each other and were quite at variance with the Pool case presented by Mr. McPhail in these words:

"If an unbiased study of the statistics and records secured under a plan of supervision revealed that there was no foundation for the suspicion in the minds of many farmers regarding the effects of futures trading, I am sure the supporters of the present system in its entirety would be relieved and satisfied. On the other hand, if there are weaknesses and abuses, the sooner they are exposed and corrected the better for all concerned."

The commissioners commented very freely on the contradictory nature of the views put forward by the president of the Saskatchewan Association, who thought that speculative trading nullified the law of supply and demand, and their adroit questioning discounted the claims of spokesmen of authority to represent the views of all their members. The whole performance was very much in contrast with the united strength provincial associations were formerly able to display on public questions, and was symptomatic of the decay which has overtaken these organizations in recent years.

Essential in Hedging

The essential function of futures trading as providing a hedging market was established before the commission, not only without controversy but without question. Elevator companies, dealers and millers, not only in Canada but abroad, are accustomed to use, and find it essential, in providing an insurance against losses. Without such insurance, the cost and risk of doing business would be greater. The margin between producer and consumer is thereby reduced.

But that is only the beginning of the matter. Granted that insurance is necessary, is any other form practical? No one had envisaged an alternative, although it was conceded that other forms could be imagined, but, in the opinion of these witnesses who discussed it, at a decidedly higher cost.

Then who gets the benefit? The producer, was the answer usually given, also developed by the chairman's analysis of the situation with different witnesses, although one economist believed that under certain conditions the consumer might also benefit from the narrowed spread.

Grant all that, and the enquiry is still only at the half-way point. An effective futures market, it is conceded by all can only exist if there is a certain amount of speculation. The speculator comes in as performing a necessary social function in risk carrying. At times and places there may be an insufficient volume of speculation. There may develop a volume considerably greater than necessary, and the unnecessary volume may be socially injurious. But does such volume (and here is where the commissioner really gets at grips with the essential problem) either hurt or help the producer? Can it, in view of the inter-relation of different markets, depress prices in Canada below their proper relation to the world market? Speculators frequently lose (usually, says some testimony), and especially the small and ill-informed speculator, not in a position to gauge the forces that affect prices. But when they gain, is there any likelihood that they have gained at the expense of the producer, or is it not rather at the expense of other speculators. The problem is one of deep economic theory, and the chairman will doubtless answer it as an economist, guided by his own knowledge and thinking as much as by the weight of testimony.

No Manipulation of Prices

Can large speculators manipulate the market, and force prices to move as they desire? No one has heard of such attempts in Winnipeg, except for some admitted attempts by the Pool. The general opinion is that they would soon be overwhelmed if they attempted to struggle with world forces moving prices. At Chicago there is evidence that the market has moved on a number of occasions in the same direction as the purchases or sales of large operators. Is this a sign of power or of astuteness?

Futures trading, by all theory, tends to smooth out large price fluctuations, but may increase the number of minor price oscillations. Does the producer suffer from such oscillations, and to any extent that would counterbalance the other advantages?

Back in 1925 the Turgeon Commission, after going exhaustively into all phases of grain marketing reported in favor of the futures market which existed then as now; in favor of the existence of a competent speculative element in the market, as tending to keep various prices in proper adjustment; to the effect that incompetent speculators, whose transactions were designated as pure gambling, were a disturbing element, and that they usually lost; that it was impossible to legislate for the elimination of such individuals without disturbing the "general and genuine usefulness of the exchange," and that the penalties and precautions against rigging the market or dishonorable trading, seem calculated to make such practices rare and unprofitable.

In addition the Turgeon Commission recommended that Parliament should not then enact restrictive legislation "in the expectation of tempering fluctuations on the exchange, or of improving and stabilizing prices, but that time should first be taken to allow the new American law on this subject to demonstrate its efficacy."

On this point there is room for much uncertainty as to the Commission's probable action. Chief Justice Brown openly showed at times a predilection in favor of governmental regulation of the futures market somewhat similar to that of the United States. The chief thing accomplished in the United States is the publication of statistics concerning the volume of trading on the market. Such information has been used to draw erroneous conclusions; something which is probably not in itself valid argument against supplying it if there is any useful object to be attained. It would gratify curiosity and perhaps satisfy some people not now satisfied, and that in turn is probably hardly a valid reason for an extension of bureaucratic functions. The real problem for the commission to consider was whether there is anything which can be done and is not now being done that will advance the interest of the producer.

C. W. LINDSAY ADDS NORGE PRODUCTS TO PRESENT LINES

Electric Refrigerators to be Handled by Company

From Our Own Correspondent

MONTREAL.—C. W. Lindsay & Co., musical instrument retailer, has extended its activities to include the sale of "Norge" electric refrigerators. Distribution of this product marks a new step in the company's business and one which the management views with satisfaction.

The move is in line with the company's policy of diversification. C. W. Lindsay, which has been in business for over 60 years, has kept abreast of the times. Gramophones and radios have tended to supplant the sale of pianos and organs which played an important part in past years.

It is interesting to note, however, that in recent months piano sales have shown a stronger tendency.

Indications are that there will be no increase this year in the present rate of dividends on the common stock. At the annual meeting of the company a shareholder asked if it was not possible to increase the existing disbursement of $1 a share in view of the earnings record over the past three years.

Officials, in advocating a conservative policy, pointed out that the company was fortunate, in face of present business conditions, to be able to meet interest charges, preferred dividends and pay a common dividend. During the fiscal year ended February 28, 1931, earnings were equal to $2.90 a share on the common.

Bank loans of $82,160 at the end of the previous year were converted into a cash balance of $14,237 and the balance sheet at the end of last year showed a further redemption of $30,500 of preferred stock and $28,000 of bonds.

Earnings of C. W. Lindsay and Co. in the first 14 months operation of the present company to February 28, 1929, were equal to $6.15 a share on the common and in the succeeding year, $6.03 a share.

Montreal Port Clears Heavy Grain Shipments

From Our Own Correspondent

MONTREAL.—Grain receipts of the Montreal Harbor Commission from the beginning of the present season to May 14 showed a gain of 150 per cent over the same time last year, while total deliveries were almost double those at that time last year. Deliveries, in fact, to May 14, were only 700,000 bushels short of the amount shipped out by the same date in 1928, which was the record year for shipments. Receipts were less by 100,000 bushels.

Figures at May 14 as compared with the same date in 1930 are as follows:

	1931	1930
Total receipts	13,687,196	5,804,438
Total deliveries	14,245,162	7,889,665
Elevator stocks	10,547,034	11,127,217
Orders on hand	2,949,244	1,462,012

LOANS ON PRAIRIES REPORTED SOUND

Saskatchewan Farmers Said to Maintain Satisfactory Position

That farmers of Saskatchewan were maintaining payments on their loans in a manner satisfactory to the lenders and that every municipality is solvent at the present time is the information contained in a survey conducted by the Provincial Bureau of Publications, Saskatchewan. The survey quotes from a letter received from the Dominion Mortgage and Investments Association, Toronto, which states that:

"Payments being received at the present time would indicate the ability of the farmers to pay enough upon their loans to keep them in a position satisfactory to the lenders."

In 1922 the mortgages held by Ontario loan corporations in Saskatchewan amounted to $21,881,928, as compared with $19,211,937 in 1929, figures received by the bureau show. The life insurance companies had outstanding mortgages in 1925 which amounted to $42,744,256. In 1929 the total reached $44,259,495.

According to the bureau's information, within the last 10 years farm loans by institutional concerns have decreased, while loans on city property have increased. The manager of one loan company stated that although his company had 25 loans in a certain district, only three applications have been received this season for seed grain advances.

Not one colonization scheme in the province has failed because the land was unsuitable for agriculture, inquiry has revealed. Several schemes have failed but this could not be attributed to the quality of the land.

There is not, and never has been, one rural municipality in Saskatchewan insolvent, according to the survey. Some rural municipalities may have been temporarily embarrassed for lack of funds for relief purposes but all have been able to maintain their solvency.

Turner Valley Output Shows Wells Declining

Yearly Petroleum Production Increases Due to Additional Wells Drilled But Individual Output Shows Effects of Offsetting

While Turner Valley production of crude naphtha and crude oil showed an increase in 1930, over previous years, the production was not sustained production of individual wells, but rather on account of additional wells.

The accompanying tabulation, showing deliveries to the refineries, closely approximates the total production of all wells. Total production from the individual wells is not reported, but the difference is not great, being the amount consumed in the field or sold for local requirements.

The crude naphtha production from some wells is discolored with crude oil and is marketed with this product. In the following tabulation no distinction is made in these two classes:

PRODUCTION IN BARRELS AS SHIPPED TO REFINERIES

	Crude Naphtha				Crude Oil and Discolored Naphtha			
	Total Prod'n 1st Qtr. 1931	Total Prod'n 1930	Total Prod'n 1929	Total Prod'n 1928	Total Prod'n 1st Qtr. 1931	Total Prod'n 1930	Total Prod'n 1929	Total Prod'n 1928
Advance No. 5A	8,627	9,809	....	....	....	10,047	....	....
Alta. Federated	....	....	....	....	2,564	8,661	....	....
A. P. Consol. No. 1	....	....	....	....	3,099	7,633	....	....
A. P. Consol. No. 2	....	....	....	....	....	....	....	....
Associated No. 1	2,959	9,052	25,968	....	4,254	33,753	....	....
Associated No. 2	....	....	....	....	....	....	....	....
Baltic No. 1	560	....	....	....	1,258	8,008	....	....
Br. Dominion No. 2	4,400	17,976	....	....	....	5,735	856	....
Calmont No. 1	....	....	864	....	....	....	137	....
Calmont No. 2	....	8,404	....	....	4,424	17,204	....	....
Calmont No. 7	....	907	....	....	5,706	907	....	....
Commonwealth No. 1	....	....	....	....	3,084	....	....	....
Dalhousie No. 1	....	4,172	16,144	19,613	....	35	....	....
Dalhousie No. 5	....	....	....	....	2,969	14,699	16,191	19,312
Dalhousie No. 6	421	2,736	4,117	....	....	....	1,053	1,056
Dalhousie No. 7	....	2,194	....	....	10,834	12,291	....	....
East Crest No. 1 } East Crest No. 2A }	412	....	....	....	33,528	42,670	....	....
Foothills No. 1	....	....	1,494	....	10,919	38,236	31,612	3,083
Foothills No. 2	1,397	....	....	....	1,157	5,230	6,107	3,873
Foothills No. 3	2,258	239	....	....	945	....	....	....
Freehold No. 1	....	....	....	....	....	342	....	....
Freehold No. 2	4,881	20,199	....	....	....	192	....	....
Hargal No. 1	....	....	....	....	1,278	2,183	....	....
Home No. 1	4,907	59,709	174,615	....	185	2,324	5,832	6,953
Home No. 2	5,316	46,509	55,683	....	622	4,096	10,057	12,814
Home No. 3	7,957	104,549	82,984	....	....	93	1,212	....
Home No. 4	6,854	41,985	....	....	....	1,249	1,753	....
Home No. 5	736	....	....	....	....	....	....	....
Home No. 6	....	....	....	....	891	1,516	....	....
Homestead	....	....	....	....	5,702	9,330	....	....
Ill. Alta. No. 1	....	7,253	21,671	31,755	....	....	....	....
Ill. Alta. No. 2	....	749	....	....	....	....	....	....
Lowery No. 1	8,326	25,498	....	....	....	18,849	....	....
Mayland No. 1	....	....	....	....	8,286	22,190	....	....
Mayland No. 2	....	....	....	....	11,627	14,225	....	....
Mayland No. 3	....	....	....	....	11,523	....	....	....
McD.-Segur No. 1	....	....	....	....	....	15,017	15,419	....
McD. Segur No. 2	....	....	....	....	6,604	5,295	36,527	....
McLeod	....	....	....	....	2,237	22,422	....	....
Mercury No. 1	....	....	....	....	53,682	....	....	....
Mercury No. 2	....	....	....	....	834	6,228	....	....
Mercury No. 3	....	....	....	....	17,204	36,703	....	....
Merland No. 1	....	....	....	....	....	479	271	....
Mill City No. 1	....	....	....	....	....	632	....	....
Miracle No. 1	....	....	....	....	21,576	24,818	....	....
Model No. 1	....	6,444	....	....	15,601	32,704	....	....
Okalta	....	2,758	....	....	9,932	36,379	71,259	....
Regent	....	4,520	15,470	....	5,906	10,338	855	....
Royalite No. 1	....	....	201	....	....	....	....	....
Royalite No. 2	....	....	....	....	....	1,012	....	....
Royalite No. 4	3,181	23,821	112,836	99,146	....	626	....	....
Royalite No. 6	5,488	71,908	8,743	16,829	....	604	....	....
Royalite No. 7	6,055	916	25,526	3,139	....	5,853	....	....
Royalite No. 8	8,867	32,002	43,034	39,883	....	....	100	....
Royalite No. 9	....	1,567	6,253	....	2,348	6,082	1,742	2,187
Royalite No. 10	....	....	....	....	....	286	775	4,064
Royalite No. 11	8,600	12,709	....	....	....	819	1,166	3,087
Royalite No. 12	....	....	....	....	....	6,414	349	668
Royalite No. 13	....	719	1,491	....	....	1,603	....	....
Royalite No. 14	....	119	4,586	....	....	82	784	....
Royalite No. 15	....	....	....	....	466	1,862	7,425	1,009
Royalite No. 16	....	....	....	....	481	635	....	24
Royalite No. 17	10,293	75,442	53,182	....	....	....	817	....
Royalite No. 18	....	29,085	40,069	....	....	357	860	....
Royalite No. 19	8,804	24,094	....	....	....	4,452	58	471
Royalite No. 20	....	....	....	....	293	3,235	6,128	....
Royalite No. 21	....	....	....	....	2,062	5,456	4,880	....
Royalite No. 23	12,134	27,826	....	....	....	2,725	....	....
Royalite No. 24	....	....	....	....	2,207	....	....	....
Royalite No. 25	1,675	....	....	....	3,297	....	....	....
Sioux City	....	....	....	....	505	438	217	....
S. Lowery No. 1	....	....	....	....	239	....	....	....
Spooner	....	....	....	....	11,556	25,740	18,799	....
Sterl. Pacific	....	....	....	....	3,587	7,002	....	....
Structure	....	....	....	....	3,086	66	....	....
S. W. Petroleum	1,914	....	....	....	....	....	....	....
United	....	....	....	....	....	2,330	6,072	....
Vulcan	....	....	....	....	....	1,402	2,305	....
Wellington	....	....	....	....	8,715	23,893	....	....
Widney	....	....	....	....	579	11,459	6,981	....
Totals	127,022	675,780	694,936	310,395	297,912	583,535	259,303	70,725

Total shipments crude naphtha, 1927 .... 227,086 bbls.
Total shipments crude naphtha, 1926 .... 200,466 bbls.
Total shipments crude naphtha, 1925 .... 169,027 bbls.
Total shipments crude naphtha, 1924 .... 1,673 bbls.
Total shipments crude oil and discolored naphtha, 1927 .... 13,839 bbls.

1924 was the first year naphtha production, Royalite No. 4 producing entire amount, as also in 1925 and 1926. In 1927 Illinois-Alberta No. 1 produced 5,945 bbls.; Royalite No. 4, 217,956 bbls., and Royalite No. 7, 3,185 bbls.

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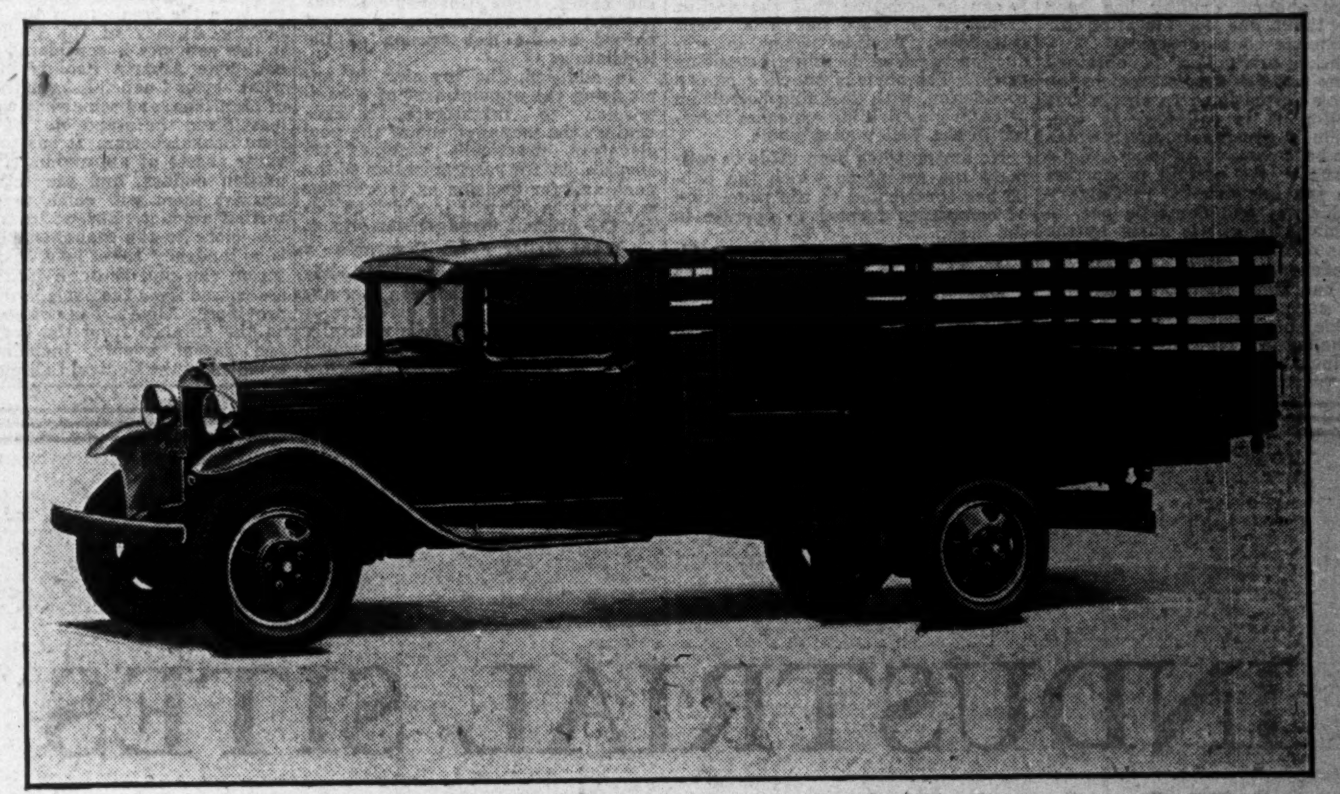


Standard stake body. Wheelbase 157 inches. This stake body is especially adapted for carrying bulky loads. It is widely used industrially, and by lumber dealers and contractors

WITH the variety of standard bodies, and with the wide range of special bodies available from body-manufacturers, Ford trucks offer economical hauling to every operator. There is a type designed for every business need. Any business using hauling-equipment can thus benefit from the low first cost, reliability, safety, power, rugged strength, long life and economy of up-keep that are characteristic of all Ford trucks and light commercial cars.

This means a saving, not only in the original investment, for hauling-equipment, but in the cost of operation over an extended period of time. It also means that these economies are possible with trucks and light commercial cars that are especially adapted to the particular needs of your business.

The Ford 1½-ton truck chassis

One reason for the excellent and reliable performance of the Ford truck is the high quality of materials and workmanship used in its construction. For example, forty different kinds of steel are employed in building the chassis. There are a large number of fine steel forgings used, and more than twenty anti-friction ball and roller bearings at important points.

Other features of value are the sturdy frame, with its five strong cross-members; the three-quarter floating spiral bevel gear rear axle, with which the axle-shafts serve only to turn the wheels, without carrying any of the weight of truck or load; the 4-speed transmission which provides a wide range of speed and power; the torque-tube drive, which relieves rear springs of all but their normal function of absorbing shocks; and the large, fully enclosed brakes, 14 inches in diameter on all four wheels.

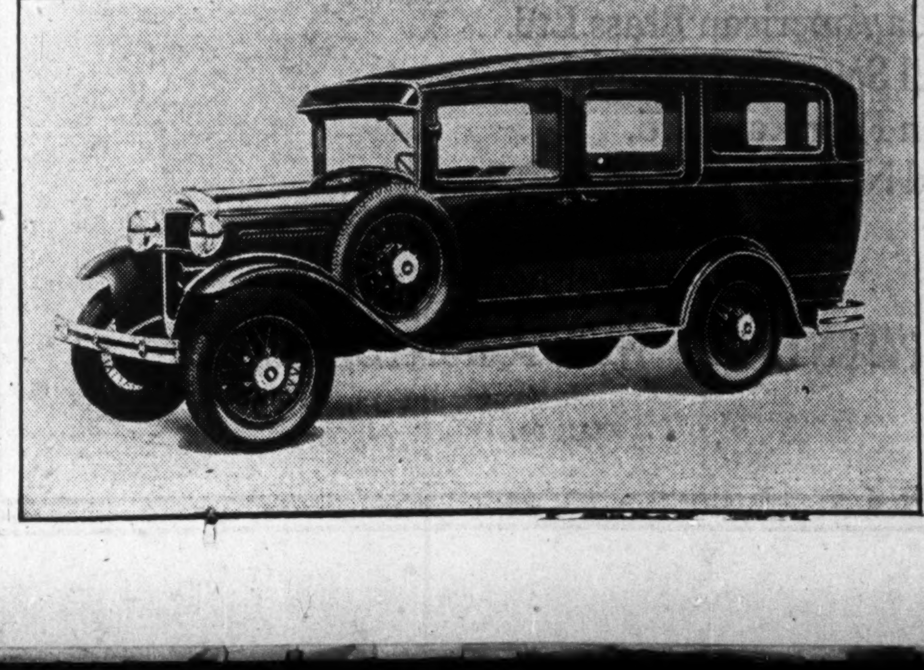
Two different chassis

The Ford truck chassis is available with 131½-inch or 157-inch wheelbase, single or dual rear wheels, and 6.6 or 5.14 rear-axle gear-ratios. There is also the light commercial chassis, which with four standard factory-built bodies, and many special bodies, meets every light hauling-need. A factory-built closed cab with shatterless glass windshield is available for all chassis.

Ford trucks and light commercial cars are of strong and attractive appearance, and are of definite advertising value to any operator whose business they represent.

Any Ford dealer can supply these Ford units complete, and will gladly demonstrate a truck or light commercial car of the type your business requires. Go to the nearest dealer and see these Ford units.

Hearse body on the chassis with 131½-inch wheelbase. The hearse is a special type, built by the Ford Motor Company



Ford
"THE CANADIAN TRUCK"

TURNER VALE GAS WASTAGE REAL WORRY

Admitted Now That Too Many Wells Drilled

POSSIBILITIES YET

Greatest Value of Field is Attracting Attention of Geologists to Resources of Alberta

Diminished gas pressure and reduced petroleum production is a subject of real concern to Turner Valley producers, and is now being studied by Dominion and provincial governments.

The expression, recently, of Ralph Davis, consulting engineer of Pittsburgh, before the Calgary public utilities board that the gas pressure of Turner Valley was steadily diminishing at the rate of one and one-third pounds daily, makes prompt action for conservation imperative. The whole question of conservation is being carefully studied and expressions by various experts is being obtained.

The Oil and Gas Association Committee as naphtha producers are vitally concerned in restrictive measures and object to practically all the regulations proposed. That some conservation measures are required are acknowledged, but the imposing of restrictions that would be fair and just to all presents a problem.

Possibilities Not Exhausted

Stimulated by the successes of the earlier producers, with their relatively high initial production, many extensive drilling programmes were undertaken. That these programmes were not in the best interests of the economical development of the field is now pretty well acknowledged by the producing companies. Many annual reports now being published for the year ended December 31, last, record disappointing results or inference that no additional drilling programmes are to be undertaken. This does not necessarily mean that the possibilities of Turner Valley have been exhausted and that no more drilling is warranted, but rather in the area where small lease holdings abound, drilling has been done without due consideration for the economic consequences.

Naphtha production is obtained from the wet gas encountered in the limestone formation. To obtain this production it is collected as condensation in separators, after which the gas becomes a by-product. While it is true that a certain proportion of this gas is marketed in Calgary for industrial and domestic use, in the summer time it is burnt by the millions of cubic feet.

Independents in South End

The enormous economic waste of gas at such a relatively small gain in crude naphtha production has been the subject for conservationists ever since the Royalite No. 4 well blew in in October, 1924, with its initial flow of 21,000,000 cubic feet of wet gas daily.

Imperial Oil and its subsidiaries hold the greater part of Turner Valley proper, principally in the central and more northern part. The southern section is held principally by small independent companies. It is in this southern area that unrestricted drilling, many as offset wells, has taken place without due regard to the economic side. Little effort was made to consolidate or coordinate drilling operations and the inevitable result has been that as additional wells were drilled, the gas pressure diminished, and, likewise, the naphtha production. There were many obstacles that prevented other than unrestricted drilling. Each leaseholder valued his holdings at high prices and consolidations on a stock exchange basis were likewise impossible. The result is that after the roar of initial production has died away companies are learning too late that needless expense has been incurred through excessive drilling. Some companies have expressed the opinion that an equal production might have been obtained from one well where three were drilled. The regrettable feature is that as these unnecessary wells were drilled, the irreplaceable wastage of gas kept mounting.

Drilling Cost High

While Turner Valley is Canada's only producing petroleum field of importance, it is primarily a gas field. Its waning gas pressure is giving signs that prompt the present activities toward conservation. That this alarm is well founded, cannot be denied as the field has not yet paid in production the drilling expense incurred.

Within the confines of Turner Valley proper, disregarding the numerous wildcat wells in the adjacent areas, 152 wells have been drilled since Royalite No. 4 blew in. A conservative estimate of the cost of these wells is placed at around $150,000 each, or a total cost of approximately $25,000,000.

The production of crude naphtha and crude oil as marketed to the refineries at Calgary, to the end of last year, was approximately 3½ million barrels, having a gross value of approximately $11,000,000, or less than one-half the drilling expense alone. To this production must be added the revenue received from gas sales, and from it deducted the operating expenses.

A production chart found elsewhere in this issue shows the individual well production. From it, it can be deducted that the decline in output of these individual wells is serious. To this decline in production is added declining petroleum prices. The obvious question is, can production, with declining petroleum prices, repay drilling expenses incurred in the Valley as a whole.

No attempt has been made to estimate the extent to which the public has contributed to the promotion of companies formed to operate in the area.

The compensations are that Alberta has been put on the map as a great potential petroleum producing field, and doubtless greater fields will yet be found, from which experience learned in Turner Valley will be valuable.

Manitoba Pool Shakes; Albertans Hope to Avoid Forthcoming Debacle

Troubles of Central Selling Agency and Differences Between Three Provincial Pools Become More Marked

From Our Own Correspondent

WINNIPEG. — One of the most difficult problems facing the Manitoba Government, and especially difficult in view of the possibility of a general election is the future of the Manitoba pool. When Premier Bracken discussed the affairs of the pool during the last session of the legislature, it was referred to as a solvent body, in spite of the fact that its obligations, connected with the deficit on the marketing of the 1929 crop, were estimated at more than $3,500,000, or considerably more than the total value of its assets. At that time it was assumed that the pool would have a corresponding claim against its own members for repayment of the "over-payments" on that crop, and it was also assumed that the pool might continue marketing grain on the former plan, and to make deductions from the proceeds of its members' grain, which year by year would make funds available for the repayment of the debt incurred. But the Government dropped from the special wheat pool bill the section which would have made the members liable for repayment. Now the pool has confessed that a considerable number of its members cannot afford to go on pooling their grain, and proposes to sell it for them on the open market. Under such a plan it would hardly be possible to go on making deductions. Doubt is thus thrown on the ability of the pool to restore its financial position.

End of Central Selling

It is generaly believed that there is little likelihood of the Central Selling Agency of the three pools again functioning as before, and the expectation appears to be that each provincial pool may attempt to go its own way. Whatever may be possible in the other provinces, it appears that the only way in which the Manitoba organization could obtain working capital enabling it to carry on would be by the Manitoba Government subrogating the mortgage which it now holds on pool elevators to a new mortgage to be given to the banks. The Government took power to take this action, by an act passed at the last session of the legislature.

In addition, the premier, in announcing the appointment of a commission to investigate charges against the management of the pool elevators, practically assumed responsibility for reorganization of the pool, and for decision as to whether it should be allowed to continue under the present management or not.

Want Relief From Contracts

Although the Government has power, under the legislation recently passed, to take over the elevators of the pool at any time, it is naturally reluctant to take any step that would appear to bring about any premature winding up of the pool, or enable anyone to blame the Government for bringing it to an end. But, on the other hand, demands from the country are increasing in intensity that farmers shall be relieved of their pool contracts, and the recent suggestion of the Manitoba pool directors that members will be allowed to use pool service for the open market sale of their grain provided they still deliver it under their contracts, does not appear to satisfy these demands. The Government is accordingly going to be blamed by a good many pool members if they are not released. The blame will, of course, be intensified if any further financial difficulties overtake the organization.

Within a short time the report of the special commissioner on charges against the pool will be in the premier's hands. If this does not clear the pool officials of blame, demands for a change will be intensified, and it will be difficult for the Government to continue supporting the organization unless there is a change of management. At the same time citizens generally are showing an inclination to criticize the Government for lack of decisive action.

The liabilities of Alberta and Saskatchewan on pool account are considerably greater than those of Manitoba, but the political difficulties of the situation are much greater in this province, because of governmental responsibility for the course of events in the immediate future.

Forced Pool Dead in Alberta

From Our Own Correspondent

CALGARY.—Although the Alberta pool is to take a vote of its members this summer to find out whether or not they are in favor of compulsory pooling of all grain in the province, there is practically no interest whatever in the outcome, and the subject of compulsory pooling is considered entirely dead. Nor, in pool circles, has much interest been taken in the idea of releasing members from their contracts. The real matter of interest is in the break-up of the Central Selling Agency of the Pool which in this province is considered imminent. The Alberta Pool is in somewhat better financial shape than that of Manitoba, and somewhat worse, at least from the standpoint of assets, than Saskatchewan. It has total elevator assets of approximately eight million dollars, and the total debt against them will come very close to that amount. But, at least in circles close to the management there is a tendency to believe that institution can pull through if it is disassociated from the pools in the other provinces. Alberta has not been keen on the alliance from the beginning, and recent events, including the troubles of the Central Selling Agency, and the campaign for compulsion in the other provinces, have made the Alberta organization anxious to break away. With settlement for the crops of 1928, 1929 and 1930 still not made, and with all three pools as guarantors of the accounts of the Central Selling Agency, breaking away has not seemed practicable. But Alberta now has plenty of excuse for it, if means can be devised for a separation, with Saskatchewan still pressing for compulsion, and Manitoba now planning to release a considerable portion of its members from pooling. Each province has been given a one-third control of the Central Selling Agency, something quite disproportionate formerly in the case of Manitoba, and now considered to be entirely out of the question.

It is hoped that when the break is made there will be a tendency to a revival of confidence among members of the pool in Alberta, with blame for pool troubles thrown largely upon the other provinces. The idea would be to set up a selling agency for Alberta grain on the Vancouver market, to keep a representative in Winnipeg to look after sale of grain that must be moved eastbound, and for the hedging of grain on the futures market there, (for the pool board here have not the same aversion to standard practices of the grain trade as the other provinces have shown) and to keep out of any attempt at direct export.

With a start made in that direction, arrangements for releasing members from contracts might be made, in the expectation that loyalty to a provincial institution would hold a large number of them. But breaking loose from the other provinces is regarded as being the first step toward preserving something of the Alberta pool.

Manitoba Liberals Seek Crerar as New Leader

From Our Own Correspondent

WINNIPEG.—The Provincial Liberal party, which has been without a leader for some time, expects to provide itself with one at the forthcoming convention, and to take a large part in the provincial election that is now regarded as reasonably sure before the end of the year. For a long time the provincials have been uncertain whether to continue as a separate party organization, or to make an alliance with Premier Bracken's supporters. Various difficulties of the Government, however, have brought them to the opinion that an alliance now is not inviting. An alliance after an election, with neither Liberals nor the Bracken supporters (who are no longer called Progressives) holding command of the House, might be more interesting, but in that case the Liberals would hope to be the dominating member of the partnership. Efforts are being made to get the Hon. T. A. Crerar's consent to nomination as provincial leader, but it is by no means certain that he will let his name come before the convention.

Central Bank Urged By Sir O. Niemeyer

The establishment of a central bank to control New Zealand's credit is recommended by Sir Otto Niemeyer, Bank of England financial expert, who recently investigated the Dominion's banking, currency and exchange problems.

This proposal, if carried out, would involve reorganizing the entire fabric of banking in New Zealand and important departures from present financial practice would be necessitated.

Sir Otto last year carried out an investigation into the financial problems of Australia, recommending severe economy and retrenchment and balanced budgets. The States and Commonwealth adopted the recommendations at a conference at Melbourne but the State of New South Wales has since repudiated them, and has also defaulted payment of interest on debts, while the Commonwealth of Australia itself has failed in an attempt to put the reforms into practice and now is trying to gain authority for issuance of $90,000,000 in fiduciary notes—a development that is being baulked by the Senate.

Southern Canada Power Profits Continue Upward

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. reports net earnings for April totalling $115,610, compared to $115,288 in the same month last year, an increase of $322. Gross earnings for the month totalled $188,388, showing an increase of $6,629 over gross for the corresponding month of last year, while operating expenses increased by $6,307 to $72,778.

For the seven months of the company's fiscal year ended with April, net earnings amounted to $875,176, which compares with $866,558 in the corresponding period of the preceding year. Gross in this period increased by $66,409 to $1,403,662, while operating expenses advanced $57,791 to $528,486.

CANADA WESTERN LUMBER
Statement of Lumber Manufactured, Sales and Price Realized

March—	1930 Feet	1931 Feet	Decrease Feet
Lumber manftd.	11,519,371	9,676,800	1,842,571
Lumber sold	13,578,481	10,924,400	2,654,081
Price realized	$301,521	$161,873	$139,648
Aggregate manfd.*	26,080,831	27,444,420	†1,363,589
Aggregate sold*	28,289,162	26,549,827	1,739,335
Aggregate price realized	$618,768	$390,887	$227,881

*From 1st January to end of March.
†Increase.

Public Utility Earnings

Winnipeg Electric Co.

April—	1931	1930
Gross earn.	$ 488,801	$ 516,353
Oper. exp.	336,640	359,177
Net earn.	$ 152,161	$ 157,176
Four Months End. April 30th—		
Gross earn.	$2,055,948	$2,284,724
Oper. exp.	1,402,475	1,536,250
Net earn.	$ 653,473	$ 748,474

Monterey Railway Light
3 Mos. to Dec. 31, 1930:

	Gross $	Working exp. includ. prov. for renewals & obsolescence $	Surp. $
Rly. Light & Pr.	290,653	265,756	24,897
Waterworks	90,822	52,217	38,605
Total	381,476	317,973	63,502
Aggre. earn. from 1st Jan. 1930 to 31st Dec. 1930.	1,453,460	1,224,025	229,434

Can. Western Natural Gas

	1930 $	1931 $	Decrease $
January	362,736	262,102	100,634
February	281,453	226,842	54,611
March	237,024	232,102	4,922
Aggre. from 1st Jan. to 31st March	881,213	721,046	160,167

B. C. POWER

April:	$	$	$
Gross earn.	1,185,650	1,213,993	*28,343
Oper. exp.	803,800	892,823	*89,023
Net earn.	381,850	321,170	60,680
Ten Mos. ended April 30:			
Gross earn.	12,289,382	12,324,708	*35,326
Oper. exp.	7,964,739	8,640,256	*675,517
Net earn.	4,324,643	3,684,452	640,191

*Decrease.

SEEK TO EXTEND CANADIAN TRADE WITH S. AMERICA

Exports Exceeded Imports by $12,000,000 in 1930-31

COULD BUY MORE

Department of Trade and Commerce Considers Means of Increasing Foreign Trade

Extension of Canada's trade relations with South American countries is hindered more through difficulty in obtaining return cargoes for Canadian ships than in penetration of tariff barriers, according to Ottawa despatches arising from recent speeches of the Prince of Wales urging extension of trade between Great Britain and Latin-American countries. It is understood that since assuming office as Minister of Trade and Commerce, Hon. H. H. Stevens has been investigating conditions with a view to obtaining return cargoes of commodities which will not compete with products of Canadian farmers and manufacturers.

In the 12 months ended March 31, 1931, Canada's trade with South American countries amounted to some $48,000,000 as compared with $60,000,000 in the previous fiscal year. The drop was largely due to a decline in commodity prices and general conditions. In the past year imports amounted to over $30,000,000 as compared with exports of over $18,000,000. Argentine is Canada's most important customer in this field and takes a substantial amount of manufactured products. It is believed that Canada can buy in return more hides, wool, maize and caseins.

Trade during the fiscal year 1930-1931 with South American countries was as follows:

	Imports	Exports
Argentina	$6,739,697	$10,007,794
Brazil	1,349,124	2,799,567
Chile	428,310	1,057,410
Colombia	5,036,898	1,191,940
Peru	4,535,524	1,679,294
Uruguay	152,424	736,658
Venezeula	3,024,584	1,058,223

Seek to Extend

While the establishment of branch plants in South American countries by Canadian corporations is regarded as a remote possibility, increased sales may be effected by establishment of branches or agencies, by taking advantage of facilities afforded by subsidized steamship lines and by advertising campaigns. Increased purchases from South American countries are also essential and scholarships in Canadian universities is another means to strengthen relations which has already been initiated.

Canadian companies doing business in Latin-America now include life insurance companies, agricultural implement manufacturers, shovel, tool and rubber companies. Grain elevators are being built in Argentina by a Canadian construction company, and Canadian oil interests in Peru and Colombia are extensive. The recent Canadian trade delegation to the Buenos Aires exhibition was highly successful in extending existing relations.

Extend Trade With Empire

Canada's Minister of Trade and Commerce also is endeavoring to stimulate trade between Canada and other British Dominions, like Australia, New Zealand and South Africa, taking advantage of the direct lines of steamships which ply between Canada and the other Dominions. Since the duty upon butter was increased, New Zealand has felt that Canada was not buying as much from New Zealand as she should, but, it must be remembered, Canada imports many commodities which do not show in the official trade returns as from the country of origin. Thus large quantities of New Zealand wool, purchased in the Boston or London markets, are shown as coming from the United States or the United Kingdom. The same is true of coffee from Brazil, which shows as an import from the United States, because it enters Canada via the United States.

Steps are being taken to remedy this situation by the stipulation that goods must be imported direct through a Canadian port in order to enjoy the full benefit of special rates of duty. In the last five years imports into Canada via the United States have shown a substantial decrease, while exports from Canada to other countries via the United States have decreased by more than $100,000,000. Hon. Mr. Stevens has made a survey of Canadian trade with British Africa, and believes there is an opportunity for further expansion of this business between the two countries. Sugar, maize and oranges are among the products which Canada may purchase more abundantly from South Africa. Total trade last year was about $17,000,000. Canada is selling goods to British Africa, which are not produced there to any extent and is importing from Africa products which are not indigenous to Canada.

New Service to West Indies

Additional transportation between Montreal and the British West Indies will be provided with the establishment of a new passenger and freight service by the Ocean Dominion Steamship Corporation, which will be inaugurated on June 1 with the departure of the Consul Horn. Demerara, British Guiana, will be her destination, but intermediate calls will be made at Bermuda, St. Kitts, Antigua, Gaudeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, Grenada and Trinidad.

Two sailings each month will be made from Montreal, several motorships to be operated on the route. The company has, for some years, operated a freight service from Montreal in summer and Halifax in winter on this route, but the passenger service is a new departure.

Bracken Would Reserve Jobs at Churchill for Westerners

From Our Own Correspondent

WINNIPEG.—Premier Bracken has protested to Ottawa against sending men from Eastern Canada to Churchill for work on the development of that port. The view is taken that the necessary labor supply should be secured in Manitoba, and particularly at the Pas, the junction point on the Canadian National where the Hudson Bay Railway begins. There are a large number of idle men there, both men who were formerly engaged on the construction of the railway, and also prospectors and miners. These latter find themselves out of occupation because the former support for their efforts is not forthcoming under present conditions.

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MOOSE JAW
Cheap Power Draws Industry

It has been shown time and again that the progress of industry in a community is limited to the available supply of power—that increased industrial activity and greater general prosperity follow in the path of ample power at favorable rates.

Such has been the case in Moose Jaw.

The purchase of the municipal power plant at Moose Jaw by the National Light and Power Company in February, 1930, ushered in a new era in the life of this important western city.

Electric light rates were reduced 10 per cent immediately, with a promise to reduce them a further 5 per cent in two years. Further reductions may be made at the end of that time. The construction of an addition to the plant has been started and is well under way; new equipment has been purchased and present equipment has been improved and its capacity increased. Ample electric power is now available.

In Moose Jaw manufacturers find all their requirements fulfilled. Numerous companies are in correspondence with the Board of Trade with a view to locating in Moose Jaw, where cheap power, low municipal debt, ample railway facilities and a central location in a rich market offer exceptional advantages.

Further detailed and specific information regarding the situation in Moose Jaw will gladly be sent upon request.

The Commissioner,
THE BOARD OF TRADE,
MOOSE JAW, Saskatchewan
or
The Industrialization Committee,
MOOSE JAW, Saskatchewan

Canadian Mining News

W.-HARGREAVES PRODUCTION UP IN NEAR FUTURE

See New Crusher Equipment as Preceding Greater Mill

ON FIVE NEW LEVELS

Output Will Be 1,500 Tons Daily By August; Work on the New Shaft

From Our Own Correspondent

KIRKLAND LAKE. — Wright-Hargreaves is being groomed for greater production records. This involves expansion in the underground workings of the mine, as well as expansion on surface, in the mill, etc.

The underground development programme is moving rapidly forward. The No. 3 shaft is nearing the 3,000-ft. horizon and within the next two months or so drifting will be under way on the south vein at 5 new levels—the 2,400 2,550, 2,700 2,850 and 3,000-ft. levels. It is important to note that this south shaft has been in high-grade ore for approximately 300 feet. Not only is this important in proving the downward continuity of high-grade ore, but it is of outstanding importance because of the fact that it is proving this vein as having little or no dip.

Add to Crushing Equipment

On surface, the capacity of the ore-crushing equipment is being increased. Completion of this is being worked out so as to coincide with the commencement of drifting on the south vein on the five new levels above referred to. By the latter part of July or the beginning of August, the capacity of the crushing equipment will have been increased to around 1,500 tons of ore daily.

This should not be regarded as an indication that the enterprise is to be established on a production basis of 1,500 tons daily within the next two or three months, in that plans call for increasing the amount of ore being sent to the mill to around 800 tons daily, by the latter part of July or early in August. However, the increase to 1,500 tons daily, in the capacity of the crushing equipment, may reasonably be regarded as a forecast of production at a much greater rate than 800 tons daily, in due time.

That officials are planning production at a greater rate than 800 tons daily is not only found in the additions to the crushing equipment. The decision to proceed with the sinking of an entirely new shaft to a depth of 4,000 feet speaks for itself. It is recognized that the present outlets are more than adequate for the handling of 800 tons daily. Consequently, a third shaft can be of no use other than to make possible a large increase in the production rate.

At any rate, the last four or five months of the current year will witness production at a rate of around $3,400,000 annually. This rate will be established through the handling of 800 tons daily—equal to about 285,000 tons per year.

Lower Levels Improve

Meantime, the work at the lower levels continues to disclose improvements over the upper levels. New ore is being found on the upper levels, but the developments of chief importance are taking place at the lower levels. Work at the lower levels has definitely shown an improvement in values, more consistent values, better widths and more uniform conditions all around. The broken up conditions found on the upper levels are not so much in evidence at depths.

A further improvement in conditions at the lower horizons has to do with the lengths of the ore-bearing deposits. It will be recalled that Wright-Hargreaves' earlier production records were established through the production of ore from a section approximately 1,500 feet in length. At the lower levels ore has been found to exist over a length of around 3,900 feet. As evidence of the importance of this length along the ore zone, it is interesting to note that the adjoining Lake Shore holds a length some 1,100 feet less than the Wright-Hargreaves. The Teck-Hughes, to the west, lacks about 2,400 feet of having the same length as the Wright-Hargreaves, on the main ore zone.

Ore Reserves to Grow

The upper levels of the Wright-Hargreaves do not show widths and values such as those now known to exist on the Lake Shore and Teck-Hughes, but it should be borne in mind that widths and values on the latter properties improved very considerably accordingly as work was carried downward. Therefore, more than usual importance attaches to the improvements recently disclosed at the lower levels of the Wright-Hargreaves.

Ore reserves now stand at around $8,000,000. The opening of the five new levels—from the 2,400 to the 3,000-ft. horizons—will, however, result in a very rapid and important increase in the ore reserves of the enterprise. The drifting on the new levels, on the south vein, will be in ore from the start. It may be seen, therefore, that, with lateral work being carried to the east and west on the vein, in high-grade ore, on five levels, the rate at which ore reserves will be added to will be rapid.

Smelters Programme Covers Wide Field

From Our Own Correspondent

MONTREAL.—Consolidated Mining and Smelting Co. of Canada completed and put into operation last year, the following plant extensions at Tadanac and Warfield:

Slag fuming plant for the recovery of zinc and lead from lead blast furnace slags; zinc oxide leaching plant; new lead furnace 50 per cent larger than the former standard; roll plant for rolling soft and antimonial sheet lead; offices, warehouses and shops of the fertilizer plant at Warfield; the first unit of the sulphuric acid plant and the triple super-phosphate plant, as well as the 50,000-ton fertilizer storage plant.

30 Cent Bonus Is Announced By Lake Shore

Lake Shore Mines has declared a bonus of 30 cents per share payable with the regular distribution of 30 cents on June 15, to shareholders of record June 1. This dividend distribution will make a total of $1.80 per share for the fiscal year, which ends June 30, as compared with $1.30 per share paid in the last fiscal year. The regular quarterly distribution paid September 16, last, also carried a bonus of 30 cents per share and the action of the company in declaring another bonus, such as has just been announced, was not unexpected.

Since the company's new mill addition went into operation last fall, recovery has been materially increased and the net profit has been averaging approximately $1,000,000 per quarter. Net profit for the current fiscal year, ending June 30, is indicated as being around $2 per share, while subsequent earnings for the last two quarters of the calendar year are expected to show earnings that would justify dividends of approximately 60 cents per quarter being paid.

The fact that the company has made two quarterly distributions in the current fiscal year of 60 cents indicates a strong probability that the last two quarters of the current calendar year will see an increase over the present normal rate of 30 cents per share quarterly, and probably establish dividends on a basis of $2.40 per year.

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PIONEER GOLD INDICATES ORE WORTH $5,000,000

Expect Costs to Be Reduced to $5 Per Ton With New Facilities

Third annual report of Pioneer Gold Mines of B. C. for the fiscal year ended March 31, 1931, gives ore reserves valued at $5,000,000, or an average assay value of $20.70 per ton. This assay and total value indicates approximately 240,000 tons of ore in sight.

This increase from the 25,000 tons of broken ore, reported in the previous year reflects the success the company has met with in its development programme between the 500 and 1,000 ft. levels. Included in the ore estimate is $500,000 in broken ore above the 500 ft. level.

In commenting on the new development, David Sloan, managing director of the company, said developments during the past fiscal year exceeded expectations and placed in sight a continuous ore body of a maximum length of 1,632 ft. on the 750 ft. level, and 1,400 ft. on the 875 and 1,000 ft. levels, with all faces still in ore. Calculations were based on samples taken at 10 ft. intervals throughout the entire three lower levels and all assay values were reduced to a width of 3½ ft.

With prospects of ore reserves increasing with lateral and deeper developments, Mr. Sloan says the company is justified in increasing its mill capacity from 125 to 300 tons daily.

Production Shows Big Gain

The value of gold bullion recovered during the fiscal year was $350,000 as compared with $162,281 in the previous year. During the first half of the year the mill feed came from drifting and raises, which were being put through on the vein from the 1,000 ft. level to the 500 ft. level, to give an ore passage. While mill capacity is 125 tons daily, 65 tons per day was the capacity of the underground facilities for this period. During the third quarter of the fiscal year the mill operated at full capacity, producing approximately $45,000 per month. Shortage of power in the last quarter restricted operations and materially reduced the output.

The following is a comparison of production with that of the two previous years since the present company was incorporated:

Years Ended March 31

	1931	1930	1929
Mine ore, tons .	26,700	12,890	11,160
Tailings, tons ...	......	8,220	14,500
Total tons treated	26,700	21,110	25,660
Assay mine ore..	$14.52	......	$14.18
Recov. mine ore.	$13.07	......	$12.85
Recovery, % ...	90.0	......	90.62
Recovery, tailings	......	......	$3.30
Val. gold rec.....	$350,000	$162,281	$1[illegible],333

In previous years a substantial tonnage of tailings was treated, from the old milling operations by the former company. In the current year production has been entirely from underground ore, all of which, except 2,500 tons, came from below the 500 ft. level.

At the end of March, 1931, a new 750 h.p. hydro-electric development was completed on the south fork of the Bridge River, providing ample power for the present requirements. Provision has been made for the installation of a second unit to take care of future power requirements.

New Shaft Started

Contemplating an increase in milling capacity to 300 tons daily, the company last March started a new three-compartment vertical shaft, which will be put through as a raise from the 1,000 ft. level, and sunk from this level to the 2,000 ft. horizon. The new shaft and hoisting equipment will provide facilities for handling 600 tons of ore in two eight-hour shifts.

Col. Victor Spencer, president of the company, said that with the new hydro-electric plant in operation and developments now under way completed, he is confident that total production costs will be under $5.00 per ton.

The company's property, which consists of 17 claims at Cadwallader Creek, a tributary of the Bridge River in the Lillooet mining division of British Columbia, was increased during the year by the acquisition of the "Countless" claims. The property now extends for a total length of approximately 7,000 ft, of which about 1,600 ft. has been developed.

An initial quarterly dividend of three cents per share was declared in February and paid on April 1, to shareholders of record March 16.

No income and surplus account is published. The following comparative balance sheet shows the company's financial position:

Balance Sheet as at March 31

Assets	1931	1930	1929
Current:	$	$	$
Cash	110,748	23,510	20,376
Accts. rec. .	870	406	930
Invent.	16,790	17,959	19,472
Gold bull. ...	5,289	12,000	12,000
	133,697	53,875	52,778
Water rts. dep.	....	689	....
Deferred:			
Ins. prems. .	....	132	140
Devel. exp. .	....	38,699	16,384
Fixed:			
Mining prop.	1,616,829	1,578,129	1,578,129
Plants, etc. .	210,340	127,499	116,022
	1,960,866	1,799,023	1,763,453
Liabilities			
Current:			
Accts. pay. .	18,826	6,619	7,701
Sal. & wages pay.	8,429	5,768	†1,491
Prov. tax ...	1,555	1,000	800
Work. Comp. Bd.	1,455	738	1,350
Inc. tax res.	9,491	2,500	2,780
Divd. pay. ..	50,152	....	....
	89,908	16,625	14,122
Reserves:			
Deprec.	34,845	22,101	10,494
Depletion ...	101,943	38,178	30,043
Prem. on shs. sold	*25,000	25,000	25,000
Capital stock:			
Common	1,671,750	1,663,750	1,657,750
Surplus	*37,420	33,369	26,044
	1,960,866	1,799,023	1,763,453

*After deducting $50,152 dividend payable April 1, 1931.

†Wages payable only.

Working Capital

	1931	1930	1929
Current assets..	133,967	53,875	52,778
Current liabs...	89,908	16,625	14,122
Working cap. .	44,059	37,250	38,656
Ratio	1.49—1	3.24—1	3.74—1

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VENTURES STOCK TO BE CHANGED BEFORE LISTING

One New $4 Par Share Will Replace Four No Par Shares

At the annual meeting of Ventures, Ltd., held in Toronto May 18, Thayer Lindsley, president of the company, informed shareholders that directors were considering listing the stock on the New York Curb. Since the company now has an authorized capitalization of 10,000,000 shares of no par value, of which 6,522,291 are outstanding, the revision in the capital structure is necessary to comply with listing conditions, as no par value mining stock is not accepted on the New York Curb Exchange.

Plans call for a reduction of the authorized capitalization to 2.500,000 shares of $4 par value each and an exchange of present stock on a four-for-one basis. Nothing definite has been done in this regard as yet. Shareholders will be notified and a special meeting called before any action is taken.

Drilling Continued

The company has increased its interest in the Beattie claims in Duparquet township, Quebec, from 50 per cent to 73 per cent, shareholders were told. Diamond drilling to shallow depths on this property indicated a large tonnage of gold ore averaging around $3 per ton over approximately 100 ft. width. Since the annual report was issued, three holes have been put down to cut the vein at a depth of 500 ft. Hole No. 16 gave 77 ft. of ore averaging $2.68 per ton; No. 17 hole showed 100 ft. of ore averaging $3.60 per ton and No. 18 hole indicated 70 ft. of ore assays of which are not yet available.

The company's copper prospect in the Opemiska area of Quebec was very valuable, Mr. Lindsley said. It has been quite thoroughly drilled and work so far indicated a 500-ton mill was warranted, since diamond drilling indicated approximately 5 per cent copper. Mr. Lindsley reviewed the various investment holdings of the company and said that the company had switched some of its holdings in the Rhodesian copper stocks to the Ontario Refining Co. Approximately $600,000 is now invested in this new refinery at Sudbury, the guaranteed income from which was 6¾ per cent.

The meeting was routine in nature. The existing board of directors was re-elected, but the two vacancies resulting from an increase in the number of the directorate is to be filled at a later date.

Pandora Soon to Let Contract For Shaft

From Our Own Correspondent

ROUYN.—Within the next few days Canadian Pandora Gold Mines will announce the letting of the contract for the sinking of the three-compartment shaft, to a first objective of 500 feet in depth. Tenders for the work of continuing the shaft from the 500-ft. horizon to the 1,000 ft. horizon are also being considered.

The shaft is being put down between the No. 5 and No. 6 orebodies. First lateral work will be directed toward the development of the ore known to exist in the No. 5 vein. Later, the workings will be extended to the north and south for the purpose of developing the other known deposits.

Reno Production Maintained in March

Reno Gold Mines, operating a producing property in the Kootenay Lake area of British Columbia, had a gross production of $14,600 in March as compared with $14,866 in February, according to monthly statement.

Production operations started in August, 1929, treating at the rate of approximately 30 tons of ore daily. This was subsequently increased to approximately 50 tons daily. The total value of production since commencement of operations to March 31, 1931, amounted to $241,000 in gold bullion.

Extensive development work has been carried out, and officials state that the property is more than paying expenses. Development on the No. 4 level has opened up a greater length of ore, combined with greater values and width, than heretofore found. Surface prospecting and diamond drilling is to be carried out as soon as the climatic conditions permit.

RUMOR SMELTERS BUYS MORE STOCK IN BIG MISSOURI

Yet Subsidiary Shares Recently Touched New Low in Market

According to information which has not been confirmed in official circles, the Consolidated Mining & Smelting Co. has increased its holdings in the Big Missouri mine, to 60 per cent.

Title to the Big Missouri mine is held by the Buena Vista Mining Co., in which Consolidated Smelters formerly held 53 per cent interest and the Big Missouri Mining Co. 47 per cent interest. In addition, Consolidated Smelters has advanced Buena Vista approximately $500,000 for development work for which bonds have been issued.

The action of Consolidated Smelters in increasing its holdings in the property is particularly significant at the present time. In the Consolidated Smelters annual report it was stated that the 100-ton test mill which is bulk sampling the ore has not operated sufficiently long to give information on which to form a definite opinion.

The recent stock market action of Big Missouri Mining Co. shares, in registering 26 cents per share, a new low for the past three years, was interpreted as meaning that all was not going well at the property. While the action of Smelters in increasing its holdings bears no official interpretation, it is regarded on the street as reflecting favorable development at the mine.

The reticence of Consolidated Smelters on development at the property has been the subject of considerable comment, but when decision was announced to install a 100-ton pilot mill, which was put into operation last December, it was interpreted as meaning the property had reached an interesting stage.

Ontario Gold Production $10,000,000 for Quarter

Kirkland Lake Area Again Leads Porcupine in Output Though Dome Again in Operation

Ontario gold production, as reported by the Ontario Department of Mines, for the three months period ended March 31, 1931, was $9,998,570, the greatest quarterly production in the history of Ontario gold mining.

All the production except $84,879 came from gold mines, no by-product production having been reported except from copper-nickel refining.

Gold mining, including the small output of silver which is recovered with the gold, accounted for $9,936,822 or 53.8 per cent of the total metallic production. The outstanding feature during 1931 in this important section of Ontario's mining industry was the increased production by the mines of the Kirkland Lake area. Every one of the six main producers reported an increased output of gold, and showed a total gain of $910,861 of which the Lake Shore accounted for $580,000. Porcupine was up slightly from $4,239,538 to $4,777,856, the major part of this gain being due to the resumption of milling operations at the Dome. The average recovery per ton of ore as figured from the table was, Porcupine $6.47 and Kirkland Lake $13.16.

The following is a tabulation of the gold production by districts, together with the silver recovered by the gold mines.

Gold Production, First Quarter, 1931

Source	Tons Milled	Gold Recovery Ounces	Gold Recovery Value $	Silver Recovery Ounces	Silver Recovery Value $	Total Value $
PORCUPINE:						
Total	737,738	230,560.61	4,766,211	42,448	11,645	4,777,856
KIRKLAND LAKE:						
Total	378,179	240,180.64	4,964,961	37,896	10,516	4,975,477
N. W. ONTARIO:						
Howey	41,933	8,814.23	182,206	3,486	968	183,174
G. H. Adair**	34	15.12	313	6	2	315
Total	41,967	8,829.35	182,519	3,492	970	183,489
Total Gold Mines	1,157,884	479,570.60	9,913,691	83,836	23,131	9,936,822
Nickel-Copper Refining		4,106.00	84,879			
Grand Total		483,676.60	9,998,570			

Kirkland Lake which established a lead in gold production last year ahead of Porcupine, for the first time, still leads. Dome production, during the quarter under review, was established on a regular basis and accounted for $858,081 of the output from Porcupine, but irrespective of this increase Kirkland Lake maintained its lead.

The following is a comparative statement of Ontario metalliferous production for the three months ended March 31, 1931, as compared with the same period last year.

Product:		Quantity 1930	Quantity 1931	Value $ 1930	Value $ 1931
Gold	fine oz.	402,571	483,677	8,321,892	9,998,570
Silver	fine oz.	2,545,163	2,103,608	1,095,505	589,768
Copper, converter and in ores ..	lb.	28,374,132	29,620,487	4,341,209	2,832,869
*Copper in matte exported	tons	2,338	890	677,941	142,432
*Nickel in matte exported	tons	4,916	6,273	1,769,750	2,258,420
**Cobalt	lb.	151,194	134,387	283,839	155,288
Nickel oxide	lb.	1,281,810	939,522	330,774	237,042
Nickel salts***	lb.	95,841	20,868	10,299	5,217
Nickel metallic	lb.	16,079,720	8,284,527	4,288,982	2,206,658
Lead, pig & in concentrate	lb.	731,563	547,417	44,221	25,296
Selenium	lb.	......	1,082	......	1,948
Total		......	......	21,164,412	18,453,508

*Copper and nickel content of matte valued at 14⅓ and 18 cents, respectively, in 1930, and 8 and 18 cents in 1931.

**Cobalt (metal and metal content of oxides, salts, ores and residues marketed).

***Oxide only in 1931.

Statistics covering the nickel-copper industry for the first three months of the year, show a decline from the high point attained in 1930.

While the figures for 1931 do not compare favorably with those for 1930 there was a definite gain over the final quarter of last year, and confidence was expressed by company officials that improvement had begun. At Sudbury the Creighton, Frood and Garson mines of the International Nickel Co. were all in operation but at reduced rates; the major portion of the ore coming from the Frood. The Falconbridge mine and smelter were also active throughout the period.

The Ontario Refining Co. received 28 million pounds of blister copper from Ontario sources and 5 million from British Columbia. The total output of refined copper in the form of wire bars, ingot bars and small ingots, vertical cast cakes, sheared cathodes and special slabs was 29,616,286 pounds, of which 16,716,286 pounds were marketed. Gold amounting to 14,837.5 and silver to 789,209 fine ounces were recovered in the refining operations in addition to 1,082 pounds of selenium.

Nickel production from all sources in Ontario in terms of metal was as follows:

	lb.
Rec. as refined nickel	8,284,527
Contained in nickel oxide ..	727,409
Contained in matte exported	12,546,780
In Deloro oxides and salts ..	14,709
Total	21,573,425

Figures for platinum and allied metals were not available for this report.

ONTARIO'S GOLDS OUTPUT HIGHEST IN LAST QUARTER

Several Mines Achieve Records in First Three Months of Year

Returns as made to the Ontario Department of Mines for the three months ended March 31, 1931, give official information as to the progress made by Ontario's gold producers.

The quarter under review showed the greatest production in the history of Ontario gold mining and reflects full operations at the new Dome mill, also increased tonnage and recoveries from Teck Hughes. Lake Shore which had the benefit of its increased capacity in the last quarter of 1930, also showed the greatest production in its history. Wright-Hargreaves established a new production record as did Barry Hollinger and Howey.

While the quarter bristles with new individual production records, the current quarter is expected to show still further gains.

The following is a comparative statement of production facts of individual mines as compared with the last quarter of 1930, and the total for 1930.

PORCUPINE

Coniaurum

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	32,160	32,652	122,972
Total rec. $ ..	147,753	189,400	738,941
Rec. per ton $	5.43	5.80	5.99
Tons daily ...	354	355	342
Costs per ton:			
Operating—$.	...	....	5.50
Total—$	...	....	6.50

Dome

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	132,400	64,600	67,600
Total rec. $ ..	858,081	398,243	774,943
Rec. per ton $	6.48	6.16	....
Tons daily ...	1,470	1,058	....

*A total of 60 days operations.

Note: Operations were resumed in Oct., 1930, upon completion of a new mill, replacing the one destroyed by fire in 1929. Recovery in 1930 was principally from clean up.

Hollinger

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	400,458	416,198	1,625,866
Total rec. $.	2,331,113	2,808,645	10,262,950
Rec. per ton $	5.82	6.74	6.32
Tons daily ..	4,440	4,525	4,515
Costs per ton:			
Operating—$.	...	....	4.10
Total—$	...	....	4.17

March Gold

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	14,712	14,882	53,958
Total rec. $.	57,343	77,071	306,266
Rec. per ton, $	3.90	5.18	5.68
Tons daily ...	163	162	149

McIntyre-Porcupine

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	130,940	141,410	565,510
Total rec. $.	1,176,591	1,180,297	4,696,579
Rec. per ton, $	8.98	7.21	8.32
Tons daily ..	1,454	1,535	1,570
Costs per ton:			
Operating—$.	...	....	*4.64
Total—$	...	....	*6.32

*Fiscal year ended March 31, 1930.

Vipond

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	25,672	28,829	114,667
Total rec. $ ..	174,536	209,910	909,414
Rec. per ton, $	6.80	7.30	7.92
Tons daily ..	335	313	318
Costs per ton:			
Operating—$.	...	....	*4.80
Total—$	...	....	*5.54

*Fiscal year ended July 31, 1930.

KIRKLAND LAKE

Lake Shore

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	186,844	185,097	550,501
Total rec. $.	2,325,010	2,307,664	7,854,444
Rec. per ton, $	12.44	12.43	14.25
Tons daily ...	2,075	2,010	1,530
Costs per ton:			
Operating—$.	...	....	*6.43
Total—$	...	....	*7.52

*Last fiscal year.

Kirkland Lake Gold

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	11,635	12,666	52,106
Total rec. $.	145,622	155,693	533,851
Rec. per ton, $	12.52	12.30	10.24
Tons daily ...	129	138	145
Costs per ton:			
Operating—$.	...	....	8.83
Total—$	...	....	8.83

Sylvanite

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	20,610	22,431	81,213
Total rec. $.	222,674	224,436	794,459
Rec. per ton, $	11.10	10.00	9.80
Tons daily ...	228	244	225
Costs per ton:			
Operating—$.	...	....	*8.07
Total—$	...	....	*9.06

*Fiscal year ended March 31, 1930.

Teck-Hughes

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	87,810	85,350	338,555
Total rec. $.	1,512,167	1,237,658	5,398,231
Rec. per ton, $	17.25	14.50	15.90
Tons daily ..	976	928	940
Costs per ton:			
Operating—$.	...	....	*6.59
Total—$	...	....	*7.22

*Fiscal year ended August 31, 1930.

Wright-Hargreaves

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	63,510	62,560	220,430
Total rec. $.	709,091	682,208	2,432,888
Rec. per ton, $	11.26	10.90	11.03
Tons daily ...	706	680	612
Costs per ton:			
Operating—$.	...	....	6.01
Total—$	...	....	7.75

MISCELLANEOUS MINES

Barry-Hollinger

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	7,734	7,886	31,725
Total rec. $.	60,088	60,219	217,786
Rec. per ton, $	7.78	7.64	6.87
Tons daily ...	86	86	88
Costs per ton:			
Operating—$.	...	....	7.47
Total—$	...	....	7.47

Howey

	1st. quar. 1931	4th. quar. 1930	Total 1930
Tons milled ..	41,933	40,649	110,438
Total rec. $.	183,174	175,846	460,857
Rec. per ton, $	4.37	4.33	4.17
Tons daily ...	466	442	410

MACASSA BEGINS SINKING SHAFT 1,000-FEET DEPTH

This week will witness the commencement of electric power sinking operations on the new three-compartment shaft, at Macassa property at Kirkland Lake.

A temporary electric-driven hoist capable of sinking to a depth of 1,000 ft. has been installed and a new motor-driven compressor installed. This equipment will supersede the gasoline-driven portable plant which has been in use for the past few weeks and which has been used to sink the shaft its first 50 feet.

About August 1, a new power plant and hoist will be delivered to the property, which is capable of sinking to a depth of 3,000 ft. Since activity started at the property this spring a new road has been built from the government road to the site of the new shaft, a new head frame erected, and office and camp buildings constructed. Operations now start in earnest toward an immediate objective of 2.500 ft.

Coincident with sinking the new shaft, which is located in the central part of the property, a drift is being driven from the 2,475-ft. level of the adjoining Kirkland Lake Gold Mining Co. This work by the Kirkland Lake Gold Mining Co. is being carried out on a cost plus basis and will greatly expedite the development of the property.

Message Says Eldorado Ore Ready May 1

Eldorado Gold Mines, according to a telegram from Gilbert LaBine, managing director of the company, who is now at the property on Great Bear Lake, expected to have 20 tons of pitchblende ore ready for shipment by May 1.

Communication from the property is naturally greatly delayed, but Mr. LaBine said surface work from the No. 1 vein revealed 10 tons to a depth of 10 ft. over a length of 15 ft. Officials explain that production is being taken from this No. 1 vein near lake level while frost eliminates danger of flooding. The No. 2 vein is expected to yield a like amount.

Work is concentrated on recovering as much ore as possible from the shallow surface workings, and 50 tons of ore is anticipated from the company's efforts this season.

Present plans do not call for diamond drilling, but rather to explore surface showings and to determine the potentialities of the find, at the same time getting out a commercial quantity of ore.

Build New Transmission Line

Work has been started on the erection of the New Brunswick Power Commission's thirty-two mile transmission line, which will distribute from the newly-erected plant of the Commission at Grand Lake, Queen's county.

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The Daily Star is Delivered to Homes in this widespread Provincial Territory Almost as Quickly as to the Homes in the City of Toronto Itself

TRAINS, electric railways and buses are used wherever advantageous to carry Daily Stars to places shown in the above map in order that readers may have their favorite newspaper on the day of publication.

And in addition, in order to facilitate even more expeditious distribution, The Star maintains its own delivery automobiles which travel daily as far east as Bowmanville, as far north as Orillia, as far northwest as Owen Sound, and as far west as St. Mary's. This service is maintained day in and day out in the interests of both readers and advertisers. Around the tea-table or during early evening The Star is read in scores of thousands of homes throughout this prosperous territory. And when summer comes routes are added so that guests at hotels, cottagers and campers all around Lake Muskoka, Lake Simcoe and the Kawartha Lakes may have The Daily Star placed in their hands on the same day as issued.

Thus out-of-town readers are kept in as close touch with local and world-wide news events as those living in the capital city of Ontario itself.

From the viewpoint of the advertiser this provincial coverage is of extreme value, for in point of home-ownership, use of electric appliances and telephones, general high standard of living and high per capita purchasing power, it is conceded by international experts that no comparable area in the world outranks the Toronto retail market. And The Star affords the merchant and manufacturer, alive to its sales potential, the greatest coverage at the lowest cost of any daily newspaper in Toronto.

ONE HUNDRED AND FIFTY PLACES IN WHICH THE DAILY STAR IS CARRIER-BOY DELIVERED ON THE DAY OF PUBLICATION

Acton
Agincourt
Allandale
Alliston
Aurora
Aylmer
Baden
Barrie
Beamsville
Belleville
Bloomfield
Bolton
Bowmanville
Bracebridge
Bradford
Brampton
Brantford
Brighton
Brockville
Burlington
Caledon East
Caledonia
Campbellville
Campbellford
Cannington
Cedardale
Chippawa
Claremont
Clinton
Cobourg
Colborne
Collingwood
Coldwater
Cooksville
Cookstown
Courtice
Deseronto
Dixie
Dundas
Eden Mills
Elgin Mills
Elmira
Elora
Enterprise
Fergus
Galt
Gananoque
Georgetown
Glen Williams
Grimsby
Guelph
Hagersville
Harrowsmith
Hamilton
Harmony
Havelock
Hastings
Hespeler
Humberstone
Ingersoll
Islington
Kingston
Kitchener
Langstaff
Lake Shore to Port Credit
Lansing
Lindsay
Linwood
Listowel
London
Longford Mills
Lorne Park
Madoc
Maple
Markham
Marlbank
Meaford
Merriton
Midland
Millbrook
Milton
Milverton
Milton Heights
Mount Joy
Myrtle
Napanee
Newmarket
Newburgh
Newtonbrook
Niagara Falls
Niagara-on-the-Lake
Norwood
Oakville
Omemee
Orangeville
Orillia
Oshawa
Owen Sound
Palmerston
Paris
Penetanguishene
Perth
Peterboro
Picton
Port Credit
Port McNicoll
Port Nelson
Port Dalhousie
Port Colborne
Port Dover
Port Hope
Portsmouth
Port Whitby
Prescott
Preston
Richmond Hill
Rockwood
St. Catharines
St. Thomas
Scarboro Junction
Shelburne
Simcoe
Smith's Falls
Stayner
Stirling
Stoney Creek
Stouffville
Stratford
Sydenham
Tamworth
Tavistock
Thistletown
Thorold
Tillsonburg
Trenton
Tweed
Uxbridge
Waterford
Waterdown
Welland
Wellington
Whitby
Willowdale
Woodbridge
Woodstock
Woodville
Yarker
York Mills

THE TORONTO DAILY STAR

is the only Toronto Daily Newspaper offering extensive provincial coverage without sacrificing city circulation